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ANALYSIS OF CANADIAN-AMERICAN TRADE

DURING THE FIRST YEAR UNDER THE RECIPROCAL TRADE AGREEMENT

Prepared by an interdepartmental committee, consisting of
representatives of the Departments of State,
Commerce, and Agriculture, and of
the Tariff Commission.

ANALYSIS OF CANADIAN-AMERICAN TRADE
DURING THE FIRST YEAR UNDER THE RECIPROCAL TRADE AGREEMENT

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ANALYSIS OF CANADIAN-AMERICAN TRADE
DURING THE FIRST YEAR UNDER THE RECIPROCAL TRADE AGREEMENT

GENERAL SUMMARY

Continued expansion throughout 1936 of trade between the United States and Canada marked the first year under the Canadian-American Agreement, according to an analysis of the official trade returns by an interdepartmental committee, consisting of representatives of the Departments of State, Commerce, Agriculture and of the Tariff Commission. Canadian imports from the United States reached a total of 370 million dollars in 1936, representing an increase of more than 57 million dollars over 1935^{1/}. United States imports from Canada rose to 378 million dollars in 1936 from 286 million dollars in 1935, an increase of 92 million dollars over 1935.

Without overlooking the many other factors which influence international trade, both as a whole or in particular commodities, the stimulation of a trade agreement upon the total trade between the two agreement countries can be judged to some extent against the background movement of their trade with third countries. During 1936 Canadian imports from the United States showed a gain of 18 percent over 1935, as compared with an increase of 12 percent in imports from all other countries. The United States, on the other hand, took 32 percent more goods (in value) from Canada in 1936 than in 1935, while imports from all other countries were only 17 percent larger. Thus it is to be assumed that the agreement has been one of the factors which enabled each country to improve its relative position as a supplier of the other country's market.

Canadian Imports from the United States

Several factors contributed to the increase of Canadian purchases from the United States in addition to the direct stimulus caused by the reductions in tariff duties and the lowering or removal of arbitrary valuations. These were the greater Canadian purchasing power resulting in part from increased exports to the United States and in part from the recovery of business activities in Canada itself; and the rising price level. However, it is significant that imports from the United States of that group of American products, both agricultural and industrial, on which reductions in duties or customs valuations were granted by Canada,

^{1/} The United States record of exports to Canada corresponds closely to the Canadian record of the importations from the United States. United States exports to Canada during 1936 were \$369 million, compared to \$308 million in 1935, an increase of \$61 million.

Because of the closer comparability between the items in the Canadian statistical classification upon which were based the concessions granted to the United States in the agreement, Canadian import figures have been used in this analysis as a measure of the American shipments to that country.

showed the greatest increase. The increase in 1936 over 1935 in Canadian imports of these products amounted to 36 million dollars out of the total increase of 57 million dollars. The percentage of increase for this group was over 30 percent, as against 11 percent for all other commodities. These trade increases were distributed widely among many classes of American products, but were especially significant for certain fresh fruits and vegetables; cotton piece goods, wearing apparel of cotton or rayon; various rubber products; wood furniture, newspapers, periodicals and certain paper products; iron and steel products; automobiles and automotive products; various types of industrial machinery; refrigeration and sewing and washing machines; electro-plated ware, electric motors, radio and other electrical apparatus; and photographic films.

An 11 million dollar increase in Canadian imports occurred in those products on which the existing rate of duty, or the continued duty-free admission into Canada, was bound. Increases among such products were most notable in raw cotton, tractors, undressed furs, rough lumber, structural iron and steel, and lemons. Products not directly affected by the agreement, and those for which comparable statistics for 1935 are not available, accounted for the remaining 10 million dollar increase, affecting mainly crude petroleum and products; coal, coke and products; iron and steel sheets and plates; certain industrial machinery; cotton pulp and waste; and certain inedible vegetable oils.

United States Imports from Canada

In addition to the effect of the duty reductions granted Canada in the agreement, several factors acted to expand American purchases in Canada, namely, increasing business activity, the drought of 1936, and the rising price level, which appeared in the United States as well as in Canada. The increase in business activity in the United States created a heavy demand for raw materials, while the drought of 1936 caused temporary shortages in the supplies of certain agricultural products.

It is significant, as in the case of Canadian imports from the United States, that United States imports from Canada of the group of products on which lower duties were granted in the agreement increased relatively more than imports of other groups of products. The increase in 1936 over 1935 of imports of such reduced-duty commodities accounted for 30 million dollars of the 66 million dollar increase in total dutiable imports. Notable increases were recorded in imports of whiskey, cattle (weighing 700 pounds or more), softwood lumber, horses, cheddar cheese, certain fish, maple sugar and seed potatoes.

A decrease of almost 3-1/2 million dollars occurred in imports of certain feedstuffs on which the existing rate of duty was bound against increase, namely, wheat unfit for human consumption and other grain by-product feeds, which had been imported during 1935 in exceptional quantities because of the drought of the preceding year. Drought conditions in Canada in 1936 also discouraged as large exports of Canadian feedstuffs as in 1935.

Imports from Canada of products, the rates on which were bound free by the agreement, increased by 25 million dollars, the increases

being mainly in newsprint paper, various types of wood pulp, pulpwoods, unmanufactured asbestos, nickel ore, matte and oxide and crude artificial abrasives. Products entering free, but not so bound by the agreement, increased by 2 million dollars. Improving economic conditions in the United States largely accounted for the increased importation of the duty-free industrial materials.

Imports of dutiable products not directly affected by the agreement increased by 39 million dollars, the chief increase, amounting to over 19-1/2 million dollars, being in full-duty wheat, imports of which were attracted by the premium prices in the United States resulting primarily from drought injury to our hard spring and durum wheat crops. Other increases in dutiable non-agreement products were in nickel alloys, barley, rye, corn, cattle hides and iron and steel scrap, while imports of barley malt and of soap declined. In the case of corn, the increase was mainly a reflection of increased prices, the quantity having increased by only 170,000 bushels, while value increased by \$840,000.

PRINCIPAL CHANGES IN AMERICAN SALES TO CANADA

Products on Which Duty Reductions Were Made

The increases in Canadian imports of products on which reductions in duties were obtained by the United States were widely distributed among many groups of products, especially in fresh fruits and vegetables, meat products, forest products and manufactures, automotive products, industrial, agricultural and domestic machinery, and electrical apparatus.

Fresh Fruits and Vegetables, and Nuts:-- Among the fresh fruits and vegetables on which lower duties or customs valuations were granted by Canada, increases of over 200 thousand dollars each in imports from the United States were noted for lettuce, tomatoes, grapefruit, and grapes; while increases in imports of peaches, pears, plums and prunes ranged between 100 and 200 thousand dollars each in 1936 as compared with 1935. Canadian imports of oranges, mandarins, and tangerines, upon which Canada removed the duty entirely during the months of January through April, gained by 296 thousand dollars during these months of 1936 as compared with the same months of 1935. Shelled and unshelled nuts increased in imports into Canada by 328 thousand dollars. Miscellaneous fresh vegetables, including asparagus, cabbage, carrots, celery, spinach, and green peas and beans increased by \$400,000, while Canadian imports of miscellaneous fresh fruits, including apples, cherries, strawberries, and melons, increased by \$295,000.

Meat Products:-- In general, imports of meat products from the United States, notwithstanding reduced duties, did not show any substantial increases in 1936 as compared with 1935, undoubtedly because of high prices in the United States. However, Canadian imports of pickled and dry-salted pork increased from 44 thousand dollars in 1935 to 280 thousand dollars in 1936.

Products of Wood and Paper:-- Imports of newspaper and periodicals, on which Canada removed its duty altogether under the agreement, increased

from \$2,626,000 in 1935 to \$4,038,000 in 1936, a gain of almost 1-1/2 million dollars. Advertising pamphlets and printed matter, printing, writing and wrapping paper, and wood furniture, also items on which the duties were lowered, showed increases in imports into Canada of over 300 thousand dollars each; while increases of over 100 thousand dollars each were recorded for imports of wood pulp, wall board, paper board containers, other paper manufactures such as sacks and bags, and pictorial postal cards.

Automotive Products:-- An outstanding increase, amounting to \$3,331,000, occurred in imports from the United States into Canada of automobiles and parts, taken as a group. The increase was mostly in passenger cars and chassis. Imports of certain classes of automobile parts declined by almost 400 thousand dollars, certain American assembly plants in Canada having closed because of the increased opportunity for shipping completely assembled cars to that country.

Industrial, Agricultural and Domestic Machinery:-- Large increases in imports of American machinery into Canada are reported as follows: metal-working machinery, \$1,566,000; textile machinery, 727 thousand dollars; and miscellaneous machinery, \$2,449,000. Imports of farm implements increased by 588 thousand dollars.

Electrical Apparatus:-- Among the items in the electrical products group, American radio apparatus gained by 578 thousand dollars; electric fans, irons, electric light fixtures and appliances by 439 thousand dollars; and electric motors and parts by 330 thousand dollars.

Products on Which Tariff Treatment Was Bound

Canadian imports from the United States of products on which Canada bound the existing tariff treatment against unfavorable change increased by 11 million dollars in 1936 over 1935. Increases in duty-free items so bound were as follows: \$3,843,000 in imports of raw cotton and linters; \$3,157,000 in tractors; \$1,080,000 in undressed furs; \$783,000 in rough and partially dressed lumber and timber; and \$403,000 in lemons. The increase in imports of tractors was in part the result of the removal of the previously existing duty on tractors valued over \$1400, the imports of which were not separately classified in 1935.

The increase in imports of structural iron and steel, on which the existing duty was bound, amounted to 710 thousand dollars.

Non-Agreement Products

Among the products imported into Canada from the United States which were not affected by the agreement, crude petroleum and products increased by \$4,067,000; coal, coke and products by \$2,062,000; iron and steel sheets by \$1,760,000; while miscellaneous metals such as nickel, silver, and tin declined by \$2,472,000. Special imports consisting of returned Canadian goods, parcel post and express packages increased by \$1,328,000.

\$100 Canadian Duty-Exemption Provision

Canadian purchases in the United States were further stimulated by the privilege under which Canadians returning from the United States may bring back, duty-free, purchases up to the value of \$100 per person. This exemption was granted in May 1936 as a result of the undertaking on the subject in the agreement with the United States; the exemption is parallel to that long in force in this country. In the period from May through December, such entries from the United States amounted to \$2,932,000, of which wearing apparel, totaling \$1,456,000, made up the largest part.

Transit Trade; Commercial Travelers' Samples

While no quantitative measure is available, American ports and transportation agencies have been benefiting since January 1936 from the fact that, as the result of the agreement, they are now able to handle in transit the products of non-Empire countries shipped to Canada through the United States on the same terms as if such shipments came directly into Canadian ports.

American commercial travelers have also benefited from the provision of the agreement by which they may now take samples into Canada under bond instead of having to pay full duty without possibility of refund.

PRINCIPAL CHANGES IN CANADIAN SALES TO UNITED STATES

Products on Which Duty Reductions Were Made

Items of which mention may be made under this heading are: whiskey, lumber, cattle, horses, cheddar cheese, seed potatoes, maple sugar, and certain fresh and salt-water fish.

Whiskey:-- Among the products on which the United States granted duty reduction, the largest single increase appeared in imports from Canada of whiskey, which rose from 14 million dollars in 1935 to 28 million in 1936. The duty reduction from \$5.00 to \$2.50 per gallon is limited to whiskey aged not less than 4 years. The increased imports served to supplement insufficient domestic supplies of aged whiskey, as well as to meet preferences among consumers for certain trade-marked and well-known foreign brands of whiskey.

Lumber:-- Imports of softwood lumber from Canada increased in 1936 over 1935 by about 3-1/2 million dollars, while imports of hardwood lumber increased by about 900 thousand dollars. The agreement limited the quantity of Douglas fir and western hemlock which could enter at the reduced duty to an annual quota of 250 million board feet, an amount equivalent to about 5 percent of domestic production. During 1936 Canadian importers availed themselves of this quota to the extent of only 60 percent. The market price in the United States for Douglas fir was considerably higher in 1936 than in 1935. Increased imports of maple, birch, and beech lumber, other than flooring, on which the duty was reduced, are used by American furniture and fabricating plants and reflect improved economic

conditions. Activity in the American lumber industry in general experienced a marked expansion during 1936, production of all types increasing 26 percent over 1935, shipments 24 percent and orders 27 percent.

Cattle:-- Imports of cattle from Canada during 1936 aggregated 234,063 head, compared with 112,720 head during 1935, although total cattle imports from all countries increased by a much smaller amount, entries from Mexico having declined sharply. Imports from all countries of beef cattle weighing 700 pounds or more each, the most important class on which the duty was reduced, were equivalent to 1.4 percent of federally inspected domestic slaughter of cattle (excluding calves); imports of this class of cattle come largely from Canada. Declines in cattle prices in the American markets during the early part of 1936 from the high levels attained in 1935 affected principally the choice and prime grades and were directly traceable to heavy slaughtering of domestic animals following expanded cattle-feeding operations. The bulk of the imports from Canada consist of medium-grade cattle, and the prices of these remained relatively stable.

The reduced duties granted by the Canadian agreement on calves and dairy cows, and on beef cattle weighing over 700 pounds, applied only to limited quotas. All such cattle entering in 1936 after the quotas were filled paid duty at the rates of the Tariff Act of 1930.

Horses:-- Imports of horses valued at not more than \$150 each aggregated 17,122 head in 1936, in comparison with 5,406 head in 1935. These imports consisted mostly of work stock used on farms. Average prices of horses in the United States in 1936 were the highest since 1919.

Cheddar Cheese:-- Imports of cheddar cheese from Canada increased from 730,000 pounds, valued at \$100,000 in 1935, to 10,970,000 pounds, valued at \$1,464,000 in 1936. The imports in 1936, however, were equivalent to only 2.2 percent of domestic production for the year. With improving consumer buying power, United States consumption of both domestic and imported cheese increased and cheese prices rose. For 1936 as a whole, the price of cheddar cheese averaged 15.3 cents per pound, compared with 14.3 cents for 1935, while the gross income of American farmers from sales of cheddar cheese increased by 12 percent over 1935.

Seed Potatoes:-- Imports of seed potatoes increased by over 600 thousand dollars, the quantity rising from 111,000 to 729,000 bushels. The duty reduction on potatoes, from 75 cents to 45 cents a bushel (60 cents from December 1 through February), was confined to certified seed potatoes and was limited to a 12-month quota of 750,000 bushels for each 12-month period ending November 30. The substantial imports during 1936 were due in part to the duty reduction but in larger part to the rise in domestic prices of potatoes.

Maple Sugar:-- Imports of maple sugar from Canada increased by 700 thousand dollars in 1936 over 1935. The increased imports of maple sugar, on which the duty was reduced from 6 to 4 cents per pound, were offset in part by a decline of more than 150 thousand dollars in imports of maple syrup, on which no reduction in duty was made.

Fish:-- Imports from Canada of those kinds of fresh or frozen fish on which duties were reduced by the agreement together increased by about \$1,050,000. In the case of fresh-water fish, imports of whitefish and yellow pike showed the largest increases, 257 thousand dollars and 141 thousand dollars, respectively. Both of these fish have for years been brought in from the northern lakes of Canada to supplement the domestic catch in the Great Lakes, where there has been a tendency toward exhaustion of supplies. The principal increases in imports of salt-water fish were in salmon, by \$243,000, and in halibut, by \$196,000.

Products on Which Existing Duty Was Bound

The existing United States duty of 10 percent ad valorem on certain by-product feedstuffs was bound against increase by the agreement. However, imports from Canada of wheat unfit for human consumption, which had reached the high value of over 8-1/2 million dollars in 1935 as a result of the drought of 1934, declined to 4 million dollars in 1936, although imports of bran, shorts, and other wheat by-product feeds, and screenings, scrapings, chaff or scourings of grains or seeds were somewhat larger in 1936 than in 1935. The 1936 drought in Canada checked the exportation of feeds to the United States and resulted in a temporary removal of the Canadian import duty on corn.

Products Bound Free of Duty

Although no direct stimulation is given to the movement of goods by the binding of the existing free entry of a commodity in an agreement, except that long-term contracts for future shipment may be made without fear of tariff changes, the imports from Canada of products on which the United States bound the existing free entry increased by 25 million dollars, or about 20 percent, during the first year of the agreement. The explanation of this increase lies in economic recovery in the United States. Outstanding among the bound-free items was standard newsprint paper, the imports of which increased by over 14 million dollars. Notwithstanding the larger imports, the United States production of newsprint in 1936 was the largest since 1929. Other bound-free products showing increases in imports were bleached sulphite wood pulp, which increased by about 2-1/2 million dollars; unmanufactured asbestos by almost 2 million dollars; pulp wood by about 1-1/2 million dollars; nickel ore, matte and oxide by about 1 million dollars; artificial abrasives by over 1 million dollars; undressed furs of beaver, mink, muskrat and wolf by almost \$900,000; and mechanically ground wood pulp by almost \$700,000. On the other hand, imports of shingles of wood, also a bound-free product, declined by more than \$1,300,000 in 1936.

Dutiable Non-Agreement Products

The single item showing the largest increase in importation from Canada into this country in 1936 was full-duty wheat, on which the duty of 42 cents a bushel was neither reduced nor bound by the agreement. In response to higher prices for wheat, resulting primarily from drought conditions, imports of full-duty wheat increased from about 12-1/2 million dollars in 1935 to 32 million dollars in 1936, an increase of over 19-1/2 million dollars. Other dutiable non-agreement commodities showing greater

imports included nickel alloys which increased by over 5 million dollars; hulled or unhulled barley by over 3 million dollars; rye by over 1-1/2 million dollars; iron and steel scrap by almost 900 thousand dollars; corn by over 800 thousand dollars, but by only 170,000 bushels, a quantitative increase of less than 4 percent over the preceding year; and wet salted cattle hides by almost 800 thousand dollars. In contrast, imports from Canada of barley malt declined by nearly 900 thousand dollars and imports of soap and soap-powder declined by almost 600 thousand dollars.

Duty-Free Non-Agreement Products

The increase of 4 million dollars in United States imports from Canada of duty-free commodities on which such entry was not bound by the trade agreement was divided among numerous products, none of which showed increases in imports of over \$500,000. However, imports of ammonium sulphate and other fertilizer materials; undressed furs of weasel, martin and fox, other than silver or black; and iron ore increased by over \$200,000 each; while imports of creosote oil, petroleum oil and threshing machines declined by over \$250,000 each.

Special Duty-Free Imports

The decline in 1936 as compared with 1935 of almost 3 million dollars in special duty-free imports was caused by a decrease of slightly over \$3,000,000 in returned goods from Canada and by a decrease of almost \$3,000,000 in copper blister imported under bond for processing and re-export. These declines were offset to some extent by an increase of over 2 million dollars in wheat imported under bond for processing and re-export and by an increase of over \$600,000 in non-commercial imports.

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Table 1

Total Value of United States Trade with Canada
by Months, Calendar Years 1933 to 1936.

(Canadian-American Trade Agreement Became Effective on January 1, 1936).

(Thousands of dollars)				
	1933	1934	1935	1936
Imports from Canada <u>1/</u>	Before agreement		After agreement	
January	\$ 10,706	\$ 16,397	\$ 19,235	\$ 24,276
February	8,530	14,156	18,142	22,931
March	10,055	17,977	20,877	26,822
April	11,078	16,277	22,353	26,699
May	14,810	18,728	27,024	28,745
June	15,262	18,626	22,313	30,347
July	19,383	18,697	23,726	30,716
August	17,666	18,718	23,271	37,076
September	19,979	20,698	26,708	34,851
October	19,618	21,664	28,573	37,786
November	17,123	21,602	26,576	37,789
December	21,200	23,712	27,314	39,538
Total	185,410	227,252	286,112	377,576
Exports to Canada of United States Merchandise <u>2/</u>				
January	11,499	17,598	21,624	25,718
February	10,830	18,286	21,958	23,880
March	13,109	23,367	24,210	26,354
April	12,584	24,853	27,478	30,234
May	15,353	30,539	29,273	35,245
June	16,929	26,682	26,532	33,521
July	19,596	25,359	27,124	29,976
August	19,186	26,063	26,942	30,468
September	19,693	23,693	26,437	30,334
October	20,308	25,403	28,952	37,130
November	21,693	24,745	26,671	34,756
December	17,150	19,944	20,956	31,238
Total	197,930	286,532	308,157	368,854

1/ General imports for 1933; imports for consumption beginning January, 1934.

2/ In view of the closer correlation between the Canadian statistical classifications and the items in the Canadian tariff, upon which were based the concessions granted to the United States in the agreement, Canadian import figures have been used in the analysis as a measure of the American shipments to that country. This also avoids the inaccuracies arising from transshipments of United States merchandise in Canada and other technical difficulties.

Source: Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce, United States Department of Commerce.

Table 2

Total Value of Canadian Trade with the United States by Months, Calendar years 1933 to 1936.

(Thousands of Canadian dollars)

	1933	1934	1935	1936
Imports for consumption from United States	Before Agreement		After Agreement	
January	\$ 14,877	\$ 19,430	\$ 23,157	\$ 26,285
February	13,836	19,633	23,498	25,968
March	18,517	29,064	31,333	32,797
April	11,787	21,784	21,506	26,234
May	18,033	30,065	28,256	33,564
June	18,399	26,699	25,912	33,995
July	19,754	23,928	26,315	29,504
August	20,064	24,284	26,392	27,609
September	19,741	23,740	24,195	29,754
October	20,458	25,797	29,773	36,130
November	21,749	25,276	27,645	35,398
December	20,076	24,080	22,435	32,618
Total	217,291	293,780	312,417	369,856
Exports to United States of Canadian produce ^{1/}				
January	10,007	18,317	17,529	20,130
February	8,623	14,393	15,574	21,555
March	10,378	20,199	21,916	26,846
April	8,382	12,870	15,717	20,765
May	13,857	17,203	22,610	26,505
June	14,847	15,944	21,102	26,462
July	17,335	17,241	21,125	29,517
August	17,740	17,251	24,906	33,975
September	18,491	20,865	25,911	30,575
October	18,241	19,169	26,639	34,261
November	15,063	19,846	25,598	33,474
December	17,588	29,290	27,348	35,587
Total	170,542	222,588	265,975	339,652

^{1/} In view of the closer correlation between the United States statistical classifications and the paragraphs of the United States tariff, upon which were based the concessions granted to Canada in the agreement, American import figures have been used in the analysis as a measure of Canadian shipments to this country. This also avoids the inaccuracies arising from transshipments of Canadian merchandise in the United States and other technical difficulties. Canadian export figures are exclusive of gold bullion.

Source: Summary of the Trade of Canada, Dominion Bureau of Statistics, Canadian Department of Trade and Commerce.

TABLE 3

SUMMARY OF CHANGES IN CANADIAN IMPORTS FROM THE UNITED STATES DURING 1936,
THE FIRST YEAR UNDER AGREEMENT, BY PRINCIPAL COMMODITIES

Classified According to Treatment Under the Canadian-American Agreement

(Value in Thousands of Canadian Dollars)						
	Unit	QUANTITY		VALUE		Amount of Change
		1935	1936	1935	1936	
Total imports for consumption from the United States				318,417	369,856	+ 57,439
Commodities on which Canadian duties were reduced, total ✓				119,545	155,703	+ 36,158
Oranges, mandarins, and tangerines (Jan.-April only) a/	1,000 cu.ft.	1,411	1,741	1,770	2,066	+ 296
Grapefruit	1,000 lbs.	31,500	35,977	776	1,055	+ 279
Grapes	1,000 lbs.	19,871	25,014	687	903	+ 216
Peaches	1,000 lbs.	9,787	16,317	881	1,423	+ 542
Pears	1,000 lbs.	17,844	22,740	401	549	+ 148
Plums and prunes	1,000 lbs.	3,772	11,045	162	308	+ 146
Other fresh fruit, including apples, cherries, melons and strawberries b/				1,079	1,374	+ 295
Nuts, shelled and not shelled, including almonds and walnuts				443	771	+ 328
Lettuce	1,000 lbs.	19,098	39,014	450	865	+ 415
Tomatoes	1,000 lbs.	5,744	10,483	293	537	+ 244
Potatoes, white, fresh (Jan.-April only) c/	cwt.	3,639	21,503	14	36	+ 22
Other fresh vegetables, such as asparagus, cabbage, carrots, celery, spinach, and green peas and beans	1,000 lbs.	70,371	99,184	1,898	2,299	+ 401
Flowers and foliage, natural cut (Jan.-April only) d/				22	50	+ 28
Cocoa beans, not roasted, crushed, or ground	cwt.	14,273	119,683	89	871	+ 782
Pork, barrelled in brine, or dry salted	1,000 lbs.	413	2,817	44	280	+ 236
Fur skins wholly or partially dressed, n.o.p.				526	751	+ 225
Woven fabrics of cotton, not colored	1,000 lbs.	2,601	3,245	799	960	+ 161
Woven fabrics of cotton, printed, or piece- or yarn-dyed	1,000 lbs.	1,291	1,896	869	1,201	+ 332
Miscellaneous cotton wearing apparel				196	366	+ 170
Wearing apparel of artificial silk				120	262	+ 142
Cilicloth and other, coated or impregnated				523	775	+ 252
Rubber hose, tires, belting and other rubber manufactures				1,039	1,322	+ 283
Furniture, house, office, cabinet or store furniture of wood or other material in parts or finished				227	663	+ 436
Other wood manufactures				582	706	+ 124
Wood pulp, total	cwt.	316,366	363,770	515	617	+ 102
Wallboard, building boards, and insulating board, made from wood pulp or other vegetable fibre	1,000 lbs.	1,751	4,261	95	229	+ 134
Printing, writing, wrapping, waxed and other paper				2,079	2,409	+ 330
Containers wholly or partially manufactured from fibreboard or paperboard				225	336	+ 111
Other paper manufactures including sacks and bags				908	994	+ 86
Newspapers and periodicals, tailors', milliners' and hatters' fashion plates				2,626	4,038	+ 1,412
Advertising pamphlets and printed matter				868	1,238	+ 370
Commercial blank forms, printed or lithographed				492	414	- 78
Pictorial post cards and similar artistic cards or folders				291	409	+ 118
Ingot, blooms, billets, bars and rods of iron and steel	cwt.	82,805	92,487	471	547	+ 76
Castings and forgings, iron and steel				1,488	1,013	- 475
Reils	ton (2,000 lbs.)	2,135	10,037	72	225	+ 153
Sheets, plates, hoop, band and strip iron and steel	cwt.	173,487	201,033	651	772	+ 121
Pipes, tubes and fittings				475	599	+ 124
Steel balls and ball and roller bearings				349	594	+ 245
Automobiles and parts				24,052	27,393	+ 3,341
Locomotives and parts				126	404	+ 278
Diesel engines and parts				374	564	+ 190
Other engines, internal combustion and parts (including marine)				742	939	+ 197
Farm implements including dairying, planting, harvesting and threshing				1,644	2,232	+ 588

a/ Oranges, mandarins and tangerines enter Canada from the United States free of duty during the months January through April. Imports during remainder of the year from the United States pay the same rate as before the agreement, 35 cents per cubic foot.

b/ This is the total for only those unspecified fresh fruits affected by tariff reductions and not necessarily for all other fresh fruits. The same rule applies to all groups of "other" items.

c/ The reduction in the Canadian duty on white potatoes was received by the United States through the application of most-favored-nation treatment accorded products of the United States, but was not specifically covered in the agreement. Beginning May 2, 1936, the Canadian duty was made dependent on the duty which white potatoes would pay upon importation into the United States from Canada.

d/ The reduction in the Canadian duty on cut flowers and foliage was received by the United States through the application of most-favored-nation treatment accorded products of the United States. Beginning May 2, 1936, the Canadian duty was made dependent on the duty which cut flowers and foliage would pay upon importation into the United States from Canada.

(Value in Thousands of Canadian Dollars)

	Unit	QUANTITY		VALUE		Amount of Change
		1935	1936	1935	1936	
Commodities on which Canadian duties were reduced, cont'd:						
Adding, bookkeeping and calculating machines	no.	4,076	5,831	834	1,065	+ 231
Cash registers and parts				403	525	+ 122
Sewing machines and parts				417	571	+ 154
Washing machines and clothes wringers				261	457	+ 196
Logging machinery				518	505	- 13
Metal working machinery				2,002	3,568	+ 1,566
Mining and metallurgical machinery				805	1,228	+ 423
Paper and pulp mill machinery				272	451	+ 179
Power pumps (not domestic but including mine)				400	513	+ 113
Printing machinery	no.			1,117	1,639	+ 521
Refrigerating and ice-making machines				422	1,030	+ 608
Power shovels-steam, electric or other, and parts	no.	22	52	159	476	+ 317
Textile machinery				2,094	2,811	+ 717
Other machinery				4,436	6,985	+ 2,449
Tools (including precision tools)				451	544	+ 93
Steel furniture				178	398	+ 220
Apparatus for cooking, and for heating buildings- gas, electric, coal, oil				713	1,102	+ 389
Tinplate containers and other manufactures of tinplate				720	869	+ 149
Other iron and steel products				5,433	6,749	+ 1,316
Brass bars, wire, valves and other manufactures of brass				1,712	2,024	+ 312
Nickel and nickel-plated ware				562	441	- 121
Electroplated and gilt ware				160	767	+ 607
Electric dynamos and generators and parts				192	296	+ 104
Electric motors and parts				868	1,196	+ 328
Switches and switchboards, switch gears, circuit breakers and parts				494	522	+ 28
Telegraph and telephone apparatus				395	653	+ 258
Electric fans, irons and light fixtures and appliances				391	820	+ 429
Other electrical apparatus				1,560	1,771	+ 211
Radio and wireless apparatus, including tubes				1,855	2,433	+ 578
Fire brick, n.o.p.				570	818	+ 248
Glass carboys or demijohns, bottles, decanters, flasks, jars and phials				415	772	+ 357
Glass tableware, cut, pressed, moulded or crystal; blown glass tableware, other cut glass ware and glass balls				543	568	+ 25
Lubricating oils of petroleum	1,000 U.S. gals.	15,773	17,029	2,605	2,909	+ 304
Other petroleum products including gasoline, kerosene, naphtha, grease and paraffine				2,233	2,474	+ 241
Medicinal, chemical and pharmaceutical preparations				823	976	+ 153
Compounds of tetraethyl lead	1,000 lbs.	2,382	3,019	1,249	1,415	+ 166
Other chemical products				2,005	2,276	+ 271
Aircraft and parts including engines				422	795	+ 373
Vehicles such as wagons and sleds, childrens' carriages etc.				151	231	+ 80
Billiard tables, cues, and other game boards				108	265	+ 157
Toys and dolls				519	635	+ 116
Films				502	751	+ 249
Surgical instruments of any material; surgical needles, X-ray apparatus, microscopes valued at not less than \$50 each retail, and complete parts				807 g/	955	+ 148
Jewelry, n.o.p. (not gold or silver)				409	455	+ 46
Fancy cases and boxes and fancy writing desks				160	293	+ 133
Pocketbooks, portfolios, matchboxes, card cases etc.				223	374	+ 151
Miscellaneous household and personal equipment				401	567	+ 166
Musical instruments				236	451	+ 215
Other commodities on which Canadian duties were reduced				23,532	30,259	+ 6,727
Commodities on which existing free entry into Canada or existing Canadian duty was bound, total						
Structural iron or steel f/	ton (2,000 lbs.)	17,262	34,312	30,867	41,685	+10,818
Lemons	1,000 boxes	315	314	694	1,394	+ 710
Indian corn for the manufacture of starch or cereal products (April-December only) g/	1,000 bu.	244	423	185	346	+ 161

^{a/} 1935 imports are estimated.^{f/} "Structural iron or steel" is the only group on which the existing Canadian duty was bound. All of the other commodities are bound at the existing free rate.^{g/} Comparable data not available for January-March.

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(Value in Thousands of Canadian Dollars)

	Unit	QUANTITY		VALUE		Amount of Change
		1935	1936	1935	1936	
Commodities on which existing free entry into Canada or existing Canadian duty was bound, total, cont'd:						
Fur, undressed				2,080	3,140	+ 1,060
Calf skins and kips	cwt.	41,928	32,107	501	415	- 86
Other hides and skins	cwt.	123,104	137,104	1,161	1,574	+ 413
Raw cotton and lintere						
Rough and partially dressed lumber and timber	1,000 lbs.	117,032	151,894	15,189	19,032	+ 3,843
Traction engines: internal combustion, parts and attachments				2,665	3,448	+ 783
Fire brick; chrome, magnesite, or containing not less than 90% silica; and other fire brick, valued at not less than \$100 per M.				3,804	6,961	+ 3,157
Carbon black	1,000 lbs.	12,882	13,671	736	967	+ 231
Other commodities bound free or dutiable				616	641	+ 25
				1,962	2,330	+ 368
Certain leading non-agreement commodities, total				124,303	145,879	+ 9,576
Pineapples and bananas				671	728	+ 57
Dried prunes and raisins	1,000 lbs.	26,906	26,591	1,242	1,215	- 27
Fruit juices, total	1,000 U.S. gals.	219	402	159	309	+ 150
Rice, uncleaned, unbulled or paddy	cwt.	108,098	51,174	223	109	- 114
Bread, Passover				127	120	- 7
Sugar, all above No. 16 D.S. in colour, and all refined sugars not covered by tariff item 135, and sugar syrups over 56°	cwt.	41,649	47,881	200	226	+ 26
Coffee, roasted, and extract of	1,000 lbs.	454	504	293	318	+ 25
Resin (in large containers), chicle gum and crude lac				1,127	1,229	+ 102
Vegetable oils, not food, such as chinawood oil, coconut oil, etc.				1,925	2,319	+ 394
Turpentine and crude drugs				550	549	- 2
Tobacco and manufactures	1,000 lbs.	5,887	3,068	1,810	1,003	- 807
Rubber, crude and recovered				2,722	1,948	- 774
Animals for exhibition purposes, and bees				392	326	- 66
Animal soap stock	cwt.	66,172	59,852	457	376	- 81
Hair, and hatters' fur				315	342	+ 27
Whale oil, including spermaceti oil	1,000 U.S. gals.	792	3	389	3	- 386
Sisal, iute and tampeio fiber	cwt.	211,445	201,958	655	1,179	+ 544
Fishing nets, netting, line, etc., not for sporting purposes				253	294	+ 41
Cotton pulp, rags and waste				1,477	1,971	+ 494
Hat parts				290	325	+ 35
Veneers of wood, n.o.p.				244	275	+ 31
Books, n.o.p., including Bibles and textbooks				1,766	1,918	+ 152
Scrap iron or steel				620	489	- 131
Iron or steel alloys, n.o.p.	cwt.	17,619	10,485	179	136	- 43
Various castings and forgings, iron or steel				322	358	+ 30
Bars, rods and billets, iron or steel, n.o.p.	cwt.	407,480	393,112	925	939	+ 4
Hoop, band or strip iron or steel	cwt.	412,991	337,996	1,141	980	- 161
Skelp, iron or steel	cwt.	1,445,987	1,506,894	2,591	2,775	+ 184
Sheets and plates, iron or steel	cwt.	1,397,610	1,837,849	4,337	6,097	+ 1,760
Iron or steel angles, beams, etc., n.o.p.	ton(2,000 lbs.)	5	6	199	250	+ 60
Pipes and tubes, iron or steel				484	539	+ 55
Certain wire and chains, iron or steel				255	275	+ 40
Cream separators and parts				255	257	+ 2
Industrial machinery, such as coal-heading, and diamond and well drills				816	1,587	+ 771
Printing machinery, such as typesetting and stereotypes, and typewriters				818	912	+ 94
Wrenches	1,000 dos.	63	63	171	196	+ 25
Lamps, electric, incandescent, metal filaments	thousand	1,564	2,682	105	152	+ 47
Lights, automobile, and electric torches				530	451	- 79
Automobile parts, such as ammeters, annular ball bearings, etc.				10,119	9,844	- 275
Bauxite ore and manufactures of aluminum n.o.p.				2,346	2,535	+ 189
Miscellaneous metals, such as nickel, silver and tin				5,094	2,622	- 2,472
Miscellaneous metal manufactures				1,993	1,858	- 125
Clay, unmanufactured				526	519	- 7
Artificial teeth, not mounted				292	320	+ 28
Coal, coke and products, total				29,918	30,980	+ 2,062
Plate glass, not bevelled, in sheets not exceeding 7 sq.ft. each, n.o.p.	1,000 sq.ft.	2,080	1,843	559	521	- 38
Petroleum, crude, refined, and products b/				29,685	33,752	+ 4,067
Diamond dust or bort and black diamonds for borers				1,448	2,275	+ 827
Other non-metallic mineral products, such as abrasive grains, carbon and crude sulphur				3,647	4,290	+ 651

b/ Includes some agreement items for which no comparable data are available because of changes in Canadian statistical classifications.

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(Value in Thousands of Canadian Dollars)						
	Unit	QUANTITY		VALUE		Amount of Change
		1935	1936	1935	1936	
Certain leading non-agreement commodities, total, cont'd:						
Xanthates and industrial alcohols				430	594	+ 164
Celluloid, xylonite etc., for use in Canadian manufactures				1,185	1,047	- 138
Preparations or chemicals, non-alcoholic, for dipping or spraying, n.o.p., and materials for manufacturing the same				221	399	+ 109
Aniline dyes in large packages and other dyeing materials	1,000 lbs.	27,462	22,153	2,031	1,919	- 112
Sulphate of ammonia and muriate of potash				293	390	+ 87
Antimony oxide and lithopons				339	340	+ 1
Chlorine and calcium compounds				489	361	- 128
Soda and sodium compounds, n.o.p.	1,000 lbs.	29,256	29,774	751	753	+ 2
Articles which enter into the cost of the manufacture of fertilizers, imported exclusively for that use				715	849	+ 134
Ethylene glycol	1,000 lbs.	6,821	5,051	234	635	- 199
Toilet preparations and laundry soap				471	431	- 40
Other drugs, dyes and chemicals, n.o.p.				1,668	2,207	+ 339
Cinematograph films 1-1/8 inches in width or over	1,000 feet	3,414	3,269	277	261	- 16
Scientific apparatus, including glassware, and eyeglass frames				784	764	- 20
Paintings and pastels valued at not less than \$20 each				153	554	+ 401
Packages and boxes				393	609	+ 225
Waste paper and waste n.o.p., except metallic and glass	cwt.	680,366	562,469	292	374	+ 82
Special imports				9,075	10,403	+ 1,328
Other commodities (predominantly non-agreement <u>b/</u>)				25,702	26,589	+ 887

b/ Include some agreement items for which no comparable data are available because of changes in Canadian statistical classifications.

Source: Quarterly Report of the Trade of Canada, Dominion Bureau of Statistics, Canadian Department of Trade and Commerce.
1937

TABLE 4

SUMMARY OF CHANGES IN UNITED STATES IMPORTS FOR CONSUMPTION FROM CANADA,
DURING 1936, THE FIRST YEAR UNDER AGREEMENT, BY PRINCIPAL COMMODITIES

Classified According to Treatment Under Canadian-American Trade Agreement

(Value in Thousands of Dollars)						
	Unit	QUANTITY		VALUE		Amount of Change
		1935	1936 Preliminary	1935	1936 Preliminary	
Total imports for consumption from Canada	-	-	-	\$286,112	\$377,626	+91,514
Dutiable imports from Canada, total	-	-	-	111,697	177,229	+65,532
Free imports from Canada, total	-	-	-	174,415	200,397	+25,982
Analysis of dutiable imports from Canada:						
Commodities on which United States duties were reduced, total a/						
-	-	-	-	\$37,266	\$67,027	+29,761
Whiskey, aged not less than 4 years in wood containers	pf.gal.	3,182,490 b/	7,366,196	14,004 b/	28,284	+14,280
Cattle weighing 700 lbs. or more (including dairy cows)	no.	59,920	143,219	3,607	7,230	+ 3,623
Dairy cows, weighing 700 lbs. or more ea.	no.	c/	6,686	c/	752	-
Other cattle, weighing 700 lbs. or more ea.	no.	c/	176,533d/	c/	6,878d/	-
Cattle weighing less than 700 lbs. each, total.	no.	52,790	90,944	1,592	1,517	- 75
Weighting less than 175 lbs. each	no.	c/	55,695e/	c/	755e/	-
Weighting 175 but less than 700 lbs., each, (no reduction on this class)	no.	c/	35,149 f/	c/	765 f/	-
Horses, except for slaughter or breeding, valued at not more than \$150 per head	no.	5,406	17,122	592	2,009	+ 1,417
Chickens, ducks, geese and guineas, live	1,000 lbs.	31	1,092	8	172	+ 164
Cheeddar cheese	1,000 lbs.	780 g/	10,670	100 g/	1,464	+ 1,364
Cream	gal.	480	44,053	1	65	+ 64
Grass & other forage crop seeds:						
Alfalfa	1,000 lbs.	43	1,110	9	218	+ 209
Alsike clover	1,000 lbs.	1	1,393	b/	215	+ 215
Swamp clover	1,000 lbs.	2	4,375	b/	222	+ 222
Timothy	1,000 lbs.	1,974	176	357	10	- 347
Seed potatoes 1/	1,000 lbs.	5,665	43,752	66	704	+ 638
Turnips and rutabagas	1,000 lbs.	99,330	139,677	541	919	+ 378
Hay	Ton (2,000 lbs.)	18,949 1/	73,603	170 1/	541	+ 371
Maple Sugar	1,000 lbs.	1,920	6,206	283	963	+ 700
Blueberries, frozen or preserved	1,000 lbs.	1,431	2,386	67	132	+ 65
Cereal breakfast food and preparations	1,000 lbs.	463	2,539	51	268	+ 217
Sawed boards, planks, deals, & sawed timber (except cabinet woods)						
Softwoods	M ft.	331,905	500,857	7,731	11,342	+ 3,611
Hardwoods	M ft.	24,094	49,097	880	1,841	+ 961
Cleatboard (siding)	M ft.	376	7,231	19	497	+ 468
Pulpboard in rolls for wallboard	1,000 lbs.	16,716	21,739	288	417	+ 128
Acetic or pyroligneous acid containing by weight more than 65% acetic acid	1,000 lbs.	34,950	28,275	2,071	1,519	- 553
Vinyl acetates	1,000 lbs.	776	1,049	150	203	+ 53
Acetylene black	1,000 lbs.	924 k/	1,162	92 k/	120	+ 82
Dolomite, dead-burned	1,000 lbs.	14,974	27,787	189	749	+ 160
Fresh-water fish, fresh or frozen (whitefish, yellow pike, grass pike, lake trout and tullibasse)						
1,000 lbs.		29,930	30,975	2,656	3,102	+ 446
Salt-water fish, fresh or frozen (eels, salmon, halibut and sword fish 1/)	1,000 lbs.	11,216	17,568	1,035	1,636	+ 603

a/ Includes imports of some non-agreement commodities not separately classified in 1935.

b/ This represents imports from Canada of all whiskey during 1935 but is closely comparable since bulk of whiskey imported during 1935 from Canada was aged not less than four years in wood containers.

c/ Not separately reported in 1935.

d/ Since the global quota for cattle weighing 700 pounds or more was exhausted on November 13, 1935, 130,932 head valued at \$6,672,000 entered from Canada at the agreement rate. The remainder of the imports were dutiable at the tariff rate of duty.

e/ The global quota for cattle weighing under 175 pounds was exhausted on August 7, 1935 and 46,568 head valued at \$625,000 entered from Canada at the agreement rate. The remainder of the imports paid the tariff rate of duty.

f/ These imports paid the tariff rate of duty.

g/ Estimated as being 95% of total imports of cheese from Canada since imports of cheddar cheese were not separately reported in 1935. Total imports of cheese from Canada during 1935 amounted to 769,000 pounds, valued at \$105,000.

h/ Less than \$500.

i/ Only 750,000 bushels (60 lbs. each) of certified seed potatoes are permitted entry for consumption at either of the two lower rates of duty provided for by the agreement during the 12 month period beginning December 1. In the 12 months ending Nov. 30, 1935, imports of seed potatoes from Canada amounted to 5,356,000 lbs., valued at \$50,000. In the 12 month period ending November 30, 1936, imports from Canada were 44,796,000 lbs., valued at \$912,000 of which 1,537,000 lbs. valued at \$17,500 came in during Dec., 1935, at the tariff rate of duty.

j/ Does not include imports from Canada of 47,831 tons valued at \$489,443 entered free of duty during 1935 for emergency relief, under Presidential proclamation effective from August 30, 1934 to June 30, 1935.

k/ Although imports of acetylene black were not separately reported in 1935, it is known that acetylene black is the only black pigment which is imported from Canada. Therefore, these figures represent imports of all black pigments coming from Canada.

l/ No reduction in duty was granted on frozen swordfish but, since imports of such products were reported in 1935 together with imports of fresh swordfish on which a reduction in duty was granted, the former is included in order to obtain comparability of classification. During 1936 imports from Canada of frozen swordfish amounted to 125,000 lbs. valued at \$20,000 as compared to imports from Canada of fresh swordfish totaling 1,859,000 lbs., valued at \$371,000.

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(Value in thousands of dollars)

		Quantity		Value		
	Unit	1935	1936	1935	1936	Amount of Change
Analysis of dutiable imports from Canada (cont)						
		Preliminary		Preliminary		
Crude sperm whale oil	1,000 gal.	180	958	35	206	+ 171
Ice skates and parts	-	-	-	95 m/	141	+ 46
Other products on which United States duties were reduced n/	-	-	-	577	710 a/	+ 133
Commodities on which existing United States duties were bound against increase, total						
Wheat, unfit for human consumption	1,000 bu. (bu. = 60 lbs.)	12,871	5,483	8,621	4,036	- 4,585
Brans, shorts, and other wheat by-product feeds	ton (2,000 lbs.)	236,623	299,173	5,099	5,946	+ 847
Mixed feeds and by-product feeds other than of wheat	ton (2,000 lbs.)	19,469	15,753	467	311	- 156
Screenings, scalplings, chaff or scourings of grains or seeds	ton (2,000 lbs.)	65,312	86,796	560	1,063	+ 503
Leading dutiable products on which no reductions or bindings were made in Canadian-American Trade Agreement, total n/						
Cattle hides, wet salted (weighing over 25 lbs.)	1,000 lbs.	24,760	29,786	1,731	2,516	+ 785
Kip skins, wet salted (12 to 25 pounds)	1,000 lbs.	1,467	1,459	138	153	+ 15
Calf skins, wet salted (less than 12 lbs.)	1,000 lbs.	2,329	1,313	328	191	- 137
Whole calf and kip upper leather	1,000 sq.ft.	810	870	205	265	+ 60
Combings wool finer than 44's	1,000 lbs. (clean content)	1,179	1,763	405	742	+ 337
Wool rags	1,000 lbs.	282	868	125	307	+ 182
Hams, shoulders and bacon	1,000 lbs.	339	1,859	116	509	+ 393
Beef & mutton tallow, edible & inedible	1,000 lbs.	10,914	13,690	698	693	- 5
Barley, hulled or unhulled	1,000 bu. (bu. = 48 lbs.)	4,216	7,623	3,259	6,567	+ 3,308
Barley malt	1,000 lbs.	84,439	66,411	2,494	1,614	- 880
Corn	(bu. = 56 lbs.)	4,573	4,743	2,801	3,644	+ 843
Rye	1,000 bu. (bu. = 56 lbs.)	340	2,494	199	1,712	+ 1,513
Wheat, ground into flour for export to Cuba	1,000 bu. (bu. = 60 lbs.)	3,910	4,096	3,360	3,733	+ 373
Wheat, (full duty)	1,000 bu. (bu. = 60 lbs.)	14,508	34,074	12,418	32,067	+ 19,649
Beet pulp, dried	ton (2,240 lbs.)	7,432	10,176	140	282	+ 142
Grain hulls	1,000 lbs.	30,999	15,502	159	81	- 78
Blueberries, natural or in brine	1,000 lbs.	2,243	3,973	137	277	+ 140
Potatoes other than seed	1,000 lbs.	14,249	28,199	165	478	+ 313
Molasses not used for extraction of sugar or for human consumption	1,000 gal.	2,448	1,884	150	149	- 1
Maple sirup	1,000 lbs.	2,468	305	203	46	- 157
Pig iron, not containing dutiable alloy	ton (2,240 lbs.)	13,771	11,603	283	298	+ 15
Iron and steel scrap, not containing dutiable alloy	ton (2,240 lbs.)	62,794	132,450	511	1,409	+ 898
Ferro-alloys; spiegeleisen, not containing dutiable alloy	ton (2,240 lbs.)	30,908	46,051	879	1,277	+ 398
Crude aluminum metal, scrap and alloys	1,000 lbs.	5,214	3,005	958	589	- 369
Nickel and alloys, pigs, ingots, etc.	1,000 lbs.	57,589	79,259	14,432	19,809	+ 5,377
Crude glycerin	1,000 lbs.	1,946	671 a/	172	71 a/	- 101
Soap and soap powder, n.s.p.f.	1,000 lbs.	18,087	5	595	339	- 595
Uncoated book and printing paper, n.s.p.f.	1,000 lbs.	7,676	17,069	159	339	+ 180
Motion picture films, sensitized, unexposed, 1 inch or more in width n/	1,000 lin.ft.	159,262	177,315	1,155	1,322	+ 167
Christmas trees	1,000 trees	3,574	3,826	364	378	+ 14
Waste, n.s.p.f.	-	-	-	352	218	- 134
Yellow perch, fresh or frozen	1,000 lbs.	5,417	1,796	323	154	- 169

h/ Less than \$500.

m/ Estimated as being 80% of imports of ice and roller skates from Canada since these products were not separately reported for 1935.

n/ Imports from Canada of each separate agreement product in this group were less than \$100,000 in 1936.

o/ Includes imports in 1936 valued at \$38,000 on which no reductions in duties were granted - impossible to segregate in 1935 because not separately reported.

p/ Includes leading non-agreement dutiable statistical items for which the imports from Canada during 1935 amounted to over \$100,000.

q/ Duty on crude glycerine was reduced effective June 15, 1936, in the trade agreement with France. All imports from Canada during 1936 entered at this lower rate of duty.

r/ The duty on motion picture films one inch or more in width was reduced effective May 1, 1935, in the trade agreement with Belgium. During 1935 imports of such products from Canada at the lower rate amounted to 107,357,000 linear feet, valued at \$799,000.

(Value in thousands of dollars)

		Quantity		Value		
	Unit	1935	1936	1935	1936	Amount of Change
			Preliminary		Preliminary	
Analysis of dutiable imports from Canada (con't)						
Leading dutiable products on which no reductions or bindings were made in Canadian-American Trade Agreement, (con't) ^{1/}						
Cod, haddock, hake, pollock & cusk, fresh or frozen	1,000 lbs.	2,386	3,434	106	151	+ 45
Fish, fresh or frozen, filleted, skinned, boned, sliced or divided, n.s.p.f.	1,000 lbs.	4,012	8,469	407	829	+ 422
Salmon in airtight containers, not in oil	1,000 lbs.	2,695	1,135	167	68	- 99
Cod, haddock, hake, pollock, and cusk, pickled or salted, not in oil and not in airtight containers weighing with contents 15 lbs. or less each	1,000 lbs.	24,788	27,262	1,221	1,125	- 94
Smoked or kippered cod, haddock, hake, pollock and cusk, filleted, skinned, boned, sliced or divided, not in airtight containers, weighing with contents 15 lbs. or less, each	1,000 lbs.	1,251	1,698	125	171	+ 46
Other dutiable commodities (includes some agreement products for which comparable data were not available for 1935), total						
Reduced duty commodities having no comparable data for 1935	-	-	-	8,246	14,612	+ 6,366
Non-agreement dutiable products	-	-	-	0/	456 ^{a/}	-
				0/	14,156	-
Analysis of free imports from Canada:						
Commodities for which the existing free entry into the United States was bound in the Canadian-American agreement, total ^{a/}						
Standard newspaper paper	1,000 lbs.	4,123,781	4,844,634	126,640	151,531	+ 24,891
Wood pulp:				72,160	86,499	+ 14,339
Mechanically ground, bleached & unbleached	ton(2,000 lbs.)	136,112	170,344	2,360	3,030	+ 670
Sulphite bleached	ton(2,000 lbs.)	225,773	281,062	12,532	15,295	+ 2,763
Soda pulp, bleached and unbleached	ton(2,000 lbs.)	9,416	12,737	410	566	+ 156
Pulpwoods, rough, peeled and resawed	cord	1,037,332	1,209,760	7,761	9,482	+ 1,721
Logs & round or hewn timber except round or hewn timber of fir, spruce, pine, hemlock or larch & except cabinet woods in the log	M ft.	-	-	1,109	767	- 342
Other unmanufactured wood including railroad ties, poles, posts, shingle bolts, firewood, staves & hoops.	-	-	-	1,206	1,561	+ 355
Shingles of wood	squares	2,748,514	2,365,277	7,411	6,057	- 1,354
Laths of wood	1,000 laths	273,030	267,337	683	919	+ 236
Pickets & palings of wood	-	-	-	133	66	- 67
Unmanufactured asbestos	ton(2,240 lbs.)	137,711	201,856	4,486	6,391	+ 1,905
Artificial abrasives	1,000 lbs.	129,647	152,401	2,959	4,041	+ 1,082
Gypsum or plaster rock, crude	ton(2,240 lbs.)	365,096	563,696	425	613	+ 188
Nickel ore, matte and oxide	1,000 lbs.	16,837	25,744	2,251	3,826	+ 1,275
Agricultural implements including plows, cultivators, combines, headers, harvestors, reapers, harrows, drills, planters, horse-rakes and mowers						
Parts of combines, headers, harvestors and reapers	no.	5,316	6,555	622	571	- 51
Calcium cyanamid or lime nitrogen	ton(2,240 lbs.)	100,233	112,863	2,359	2,622	+ 263
Sodium cyanide	1,000 lbs.	14,657	16,381	1,354	1,508	+ 154
Smelts & sea herring, fresh or frozen	1,000 lbs.	45,973	57,860	1,031	1,202	+ 171
Lobsters:						
Not canned	1,000 lbs.	8,364	8,812	1,950	2,208	+ 258
Canned	1,000 lbs.	637	684	331	414	+ 83
Scallops	1,000 lbs.	796	1,265 ^{a/}	142	228 ^{a/}	+ 86

^{a/} Includes imports of some non-agreement commodities not separately classified in 1935.^{b/} Not separately reported in 1935.^{c/} Includes leading non-agreement dutiable statistical items for which the imports from Canada during 1935 amounted to over \$100,000.^{d/} See supplementary table for further analysis of some of these products.^{e/} Includes imports from Canada in 1935 of scallops, other than fresh but not frozen, on which the existing free entry was not bound. Imports from Canada of such scallops amount to 63,876 pounds, valued \$12,000.

* 14

(Value in thousands of dollars)

		Quantity		Value		
	Unit	1935	1936 Preliminary	1935	1936 Preliminary	Amount of Change
Analysis of dutiable imports from Canada (con't)						
Leading dutiable products on which no reductions or bindings were made in Canadian-American Trade Agreement, (con't) ^{a/}						
Cod, haddock, hake, pollack & cusk, fresh or frozen	1,000 lbs.	2,386	3,434	106	151	+ 45
Fish, fresh or frozen, filleted, skinned, boned, sliced or divided, n.s.p.f.	1,000 lbs.	4,012	8,469	407	829	+ 422
Salmon in airtight containers, not in oil	1,000 lbs.	2,695	1,135	167	68	- 99
Cod, haddock, hake, pollack, and cusk, pickled or salted, not in oil and not in airtight containers weighing with contents 15 lbs. or less each	1,000 lbs.	24,788	27,262	1,221	1,125	- 94
Smoked or kippered cod, haddock, hake, pollack and cusk, filleted, skinned, boned, sliced or divided, not in airtight containers, weighing with contents 15 lbs. or less, each	1,000 lbs.	1,251	1,698	125	171	+ 48
Other dutiable commodities (includes some agreement products for which comparable data were not available for 1935), total						
-	-	-	-	8,246	14,612	+ 6,366
Reduced duty commodities having no comparable data for 1935						
-	-	-	-	a/	a/	-
Non-agreement dutiable products						
-	-	-	-	a/	14,156	-
Analysis of free imports from Canada:						
Commodities for which the existing free entry into the United States was bound in the Canadian-American agreement, total ^{a/}						
-	-	-	-	126,640	151,531	+ 24,891
Standard newsprint paper	1,000 lbs.	4,123,781	4,844,634	72,160	86,499	+ 14,339
Wood pulp:						
Mechanically ground, bleached & unbleached	ton(2,000 lbs.)	136,112	170,344	2,360	3,030	+ 670
Sulphite bleached	ton(2,000 lbs.)	225,773	281,062	12,532	15,295	+ 2,763
Soda pulp, bleached and unbleached	ton(2,000 lbs.)	9,416	12,737	410	566	+ 156
Pulpwoods, rough, peeled and roased	cord	1,037,332	1,209,760	7,761	9,482	+ 1,721
Logs & round or hewn timber except round or hewn timber of fir, spruce, pine, hemlock or larch & except cabinet woods in the log	M ft.	-	-	1,109	767	- 342
Other unmanufactured wood including railroad ties, poles, posts, shingle bolts, firewood, staves & hoops.	-	-	-	1,206	1,561	+ 355
Shingles of wood	squares	2,748,514	2,365,277	7,411	6,057	- 1,354
Laths of wood	1,000 laths	273,030	267,337	683	919	+ 236
Pickets & palings of wood	-	-	-	133	66	- 67
Unmanufactured asbestos	ton(2,240 lbs.)	137,711	201,856	4,486	6,391	+ 1,905
Artificial abrasives	1,000 lbs.	129,847	182,401	2,959	4,041	+ 1,082
Gypsum or plaster rock, crude	ton(2,240 lbs.)	365,096	563,696	425	613	+ 188
Nickel ore, matte and oxide	1,000 lbs.	16,837	25,744	2,251	3,526	+ 1,275
Agricultural implements including plows, cultivators, combines, headers, harvestors, reapers, harrows, drills, planters, horse-rakes and mowers						
-	no.	5,316	6,555	622	571	- 51
Parts of combines, headers, harvestors and reapers	-	-	-	43	176	+ 133
Calcium cyanamid or lime nitrogen	ton(2,240 lbs.)	100,233	112,863	2,359	2,622	+ 263
Sodium cyanide	1,000 lbs.	14,657	16,381	1,354	1,508	+ 154
Smelts & sea herring, fresh or frozen	1,000 lbs.	45,973	57,860	1,031	1,202	+ 171
Lobsters:						
Not canned	1,000 lbs.	8,364	8,812	1,950	2,208	+ 258
Canned	1,000 lbs.	637	684	311	414	+ 87
Scallops	1,000 lbs.	798	1,265 ^{a/}	142	228 ^{a/}	+ 86

^{a/} Includes imports of some non-agreement commodities not separately classified in 1935.^{a/} Not separately reported in 1935.^{a/} Includes leading non-agreement dutiable statistical items for which the imports from Canada during 1935 amounted to over \$100,000.^{a/} See supplementary table for further analysis of some of these products.^{a/} Includes imports from Canada in 1935 of scallops, other than fresh but not frozen, on which the existing free entry was not bound. Imports from Canada of such scallops amount to 63,876 pounds, valued \$12,000.

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(Value in thousands of dollars)

	Unit	Quantity	Quantity	Value	Value	Amount of Change
		1935	1936 Preliminary	1935	1936 Preliminary	
Analysis of free imports from Canada: (cont'd)						
Commodities for which the existing free entry into the United States was bound in the Canadian-American agreement, total (cont'd) a/						
Undressed furs of beaver, mink, muskrat and wolf	no.	853,672	620,340	2,776	3,641	+ 865
Other commodities bound free in Canadian-American agreement b/	-	-	-	146	148 x/	+ 2
Leading commodities imported free of duty on which such entry was not bound in the Canadian-American agreement, total						
Sausage casings	1,000 lbs.	1,864	2,430	16,548	18,876	+ 2,328
Sheep & lamb skins, pickled, not split, no wool	1,000 lbs.	660	966	351	430	+ 79
Cows for breeding	no.	11,981	9,139	108	222	+ 114
Tankage	ton(2,240 lbs.)	5,945	7,940	912	808	- 104
Palm oil	1,000 lbs.	10,699	1,741	329	51	- 278
Cotton waste other than card strips or comber	1,000 lbs.	2,215	1,346	110	88	- 22
Binding twine of single ply, made from Manila, henequen, etc.	1,000 lbs.	11,487	9,163	619	619	- 20
Sulphite wood pulp, unbleached x/	ton(2,000 lbs.)	75,029	88,272	2,552	2,910	+ 358
Sulphate wood pulp, unbleached (kraft) x/	ton(2,000 lbs.)	43,549	63,303	1,472	2,103	+ 631
Sulphate wood pulp, bleached y/	ton(2,000 lbs.)	51,199	55,244	3,425	3,294	- 131
Bags for paper stock	1,000 lbs.	8,906	13,799	145	289	+ 144
Bituminous coal and shale	ton(2,240 lbs.)	127,210	173,746	944	695	+ 249
Coke	ton(2,240 lbs.)	41,205	47,080	515	591	+ 76
Diamonds, glaziers' and engravers', unset & miners'	carat	89,573	90,572	276	466	+ 190
Iron ore, including manganese iron ore	ton(2,240 lbs.)	20,453	83,911	111	407	+ 296
Selenium and salts	1,000 lbs.	147	120	262	211	- 51
Crude metallic mineral substances such as drosses, skimmings, residues, etc.	1,000 lbs.	17,337	22,777	162	259	+ 97
Thrashing machines	no.	371	32	354	23	- 331
Dead or creosote oil y/	1,000 gals.	4,283	1,026	456	107	- 349
Crude, coal, blast-furnace, oil-gas and water-gas tar	bb1.	83,706	46,025	162	150	- 12
Ammonium sulphate x/	ton(2,240 lbs.)	25,690	48,033	662	1,132	+ 470
Ammonium phosphate used as fertilizer	ton(2,240 lbs.)	8,809	9,635	316	334	+ 18
Nitrogenous materials including hoof meal	ton(2,240 lbs.)	6,086	8,346	160	203	+ 43
Superphosphates, standard	ton(2,240 lbs.)	8,497	7,691	115	125	+ 10
Crude chloride, potash fertilizer material	ton(2,240 lbs.)	5,054	6,967	128	204	+ 76
Substances used chiefly for fertilizer, m.e.s.	ton(2,240 lbs.)	13,172	20,886	360	686	+ 326
Original paintings, pastels, drawings and sketches	-	-	-	273	396	+ 123
Undressed furs of weasel, marten & fox other than silver or black	no.	127,632	557,089	1,498	1,793	+ 295
Special free imports from Canada, total						
Articles, the growth, produce etc. of the United States, returned	-	-	-	24,332	21,443	- 2,889
Household furniture, wearing apparel etc., not merchandise	-	-	-	10,989	7,809	- 3,180
Products imported under bond, for processing and reexport:	-	-	-	1,460	2,136	+ 676
Wheat	1,000 bu. (bu. = 60 lbs.)	7,427	9,221	5,868	8,196	+ 2,328
Copper ore, concentrates, matte, regulus	1,000 lbs. x/	19,092	17,069	1,428	1,499	+ 71
Copper blister	1,000 lbs. x/	62,561	21,733	4,587	1,803	- 2,784
Other free imports from Canada (includes some agreement products for which comparable data were not available for 1936) total						
Agreement free products having no comparable data for 1935	-	-	-	6,895	8,547	+ 1,652
Non-agreement free commodities	-	-	-	b/	552 b/	-
	-	-	-	b/	7,995	-

a/ Includes imports of some non-agreement commodities not separately classified in 1935.

b/ This represents imports from Canada of all whiskey during 1935 but is closely comparable since bulk of whiskey imported during 1935 from Canada was aged not less than four years in wood containers.

x/ See supplementary table for further analysis of some of these products.

y/ Imports from Canada of each separate agreement item in this group were less than \$100,000 in 1936.

z/ Includes imports in 1936 valued at \$600 on which the existing free entry was not bound in the Canadian-American trade agreement - impossible to segregate in 1935 because not separately classified.

aa/ The existing free entry of dead or creosote oil was bound in the trade agreement with Belgium which became effective May 1, 1935.

bb/ The existing free entry of ammonium sulphate was bound in the trade agreement with the Netherlands and Colonies which became effective February 1, 1936.

cc/ The existing free entry on unbleached sulphite, unbleached sulphate, and bleached sulphate wood pulp was bound in the trade agreement with Sweden which became effective August 5, 1935; and in the trade agreement with Finland which became effective November 2, 1936.

dd/ Copper content.

Source: Compilation from records of the United States Department of Commerce.

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Supplementary Table for Table 4

(Value in thousands of dollars)

	Unit	Quantity		Value		Amount of Change
		1935	1936	1935	1936	
Further Analysis ^{1/} of Imports from Canada in 1936 of Agreement Commodities Having no Strictly Comparable Data for 1935.						
Total dutiable imports from Canada of reduced duty commodities having no comparable data for 1935 (as reported in Table 4)	-	-	-	-	456	-
Lake herring, ciscoes and chubs, fresh or frozen, total	1,000 lbs.	1,576	2,767	151	311	+ 160
Chubs ^{2/}	1,000 lbs.	h/	894	h/	113	-
Lake herring and ciscoes ^{3/}	1,000 lbs.	h/	1,873	h/	198	-
Fresh water fish, not elsewhere specified, fresh or frozen, total	1,000 lbs.	11,829	14,301	700	863	+ 163
Mullet ^{2/}	1,000 lbs.	h/	466	h/	27	-
Saugers ^{2/}	1,000 lbs.	h/	4,637	h/	274	-
Fresh water fish, n.e.s. ^{3/}	1,000 lbs.	h/	9,178	h/	562	-
Other products on which reduced duties were granted, unaccounted for, total ^{4/} (less than \$20,000 each)	-	-	-	-	42	-
Total imports from Canada of products on which existing free entry was bound and which had no comparable data for 1935 (as reported in Table 4)	-	-	-	-	552	-
Agricultural machinery and parts, n.s.p.f. ^{5/}	-	-	-	1,466	1,098	- 368
Parts of plows, cultivators, tooth or disk harrows, drills, planters, horseshaes, and mowers ^{5/}	-	-	-	h/	552	-
Agricultural machinery and parts, n.s.p.f. ^{5/}	-	-	-	h/	546	-

- ^{1/} This analysis takes into account every reduction or bound item for which the imports from Canada during 1936 were greater than \$20,000 each. Thus the total of products not accounted for is made up of products the imports of which were each less than \$20,000.
- ^{2/} Reduction in duty applied to imports under this class only.
- ^{3/} No reduction on imports under this class.
- ^{4/} Not separately reported for 1935.
- ^{5/} Existing free entry bound in Canadian-American agreement for imports of this item.
- ^{6/} Canadian-American agreement did not affect this item.

Through the President's file

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FOR THE PRESS

NOVEMBER 12, 1936

ANALYSIS OF CANADIAN-AMERICAN TRADE
DURING THE FIRST HALF YEAR UNDER THE RECIPROCAL AGREEMENT.

This is one of a series; similar analyses of the operation of other trade agreements will be issued as soon as completed.

ANALYSIS OF CANADIAN-AMERICAN TRADE
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- Table 1 - Total Value of United States Trade with Canada, By Months, January through June 1933 to 1936.
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- 4 - Summary of Changes in United States Imports from Canada, During First Half of 1936, by Principal Commodities, Classified According to Treatment under the Canadian-American Agreement.

DEPARTMENT OF STATE
Washington

ANALYSIS OF CANADIAN-AMERICAN TRADE
DURING THE FIRST HALF YEAR UNDER THE RECIPROCAL AGREEMENT.

GENERAL SUMMARY

Marked recovery in the trade with Canada, both outgoing and incoming, has taken place since the Canadian-American agreement came into operation on January 1, 1936. Canadian imports from the United States during January to June of this year were valued at \$179 million as compared with \$156 million in the first half of 1935, a gain of \$23 million. The United States imports from Canada during the same period were valued at \$160 million as compared with \$130 million last year, a gain of \$30 million.^{1/}

Account needs be taken of the fact that a moderate general trade recovery is in progress in many countries and that various factors other than trade agreements are at work influencing the course of each country's commerce, as a whole or in particular commodities. Changes in the course of trade between any two countries should be judged against the background movement of each country's trade, as a whole or with other countries. Moreover, it takes time for the commercial possibilities opened up by the reduction of trade barriers to be fully utilized. It is significant, therefore, that the beneficial stimulus of the Canadian-American agreement has already become apparent. The trade between the

^{1/} The first half of the year is the latest period for which a detailed tabulation of the trade movement between the two countries is available by individual commodities. The detailed analysis is, therefore, presented for that period. However, the figures of total trade for the third quarter have just become available, making possible the following general statement for the first nine months under the agreement. Canadian imports from the United States from January through September 1936 amounted to a total of \$266 million, an increase of \$33 million over the corresponding months of last year. The United States record of exports to Canada corresponds closely to this Canadian record of the importations from the United States. United States imports from Canada during the same period amounted to \$262 million, an increase of \$58 million over last year.

Because of the closer comparability between the items in the Canadian statistical classification and the items in the Canadian tariff, upon which were based the concessions granted to the United States in the agreement, Canadian import figures have been used in this analysis as a measure of the American shipments to that country.

two countries has improved more noticeably since its coming into operation than the trade of each with the world generally.

Canadian purchases from the United States showed a greater relative recovery over the first half of last year, 15 percent, than did Canada's total imports from all countries other than the United States, which increased 10 percent, and this tendency was even more marked during the second quarter under the agreement than in the first. The value of United States imports from Canada increased during the six-month period by 23 percent, while American imports from all countries other than those with which trade agreements were in operation for the full half year rose less than 13 percent. Moreover, not only have both countries increased materially their volume of purchases from each other, but each has come to supply a larger share of the other's import requirements than they had for a number of years past.

Changes in Agricultural and Non-Agricultural Trade.

From the nature of the economy of the two countries, agricultural products have usually made up a larger proportion of the Canadian products imported into this country than of American products imported into Canada. Of the \$30 million increase in United States imports from Canada during the period, about \$7 million was made up of agricultural products, an increase of about one-quarter over the preceding year. The rise in imports from Canada of non-agricultural items was larger in amount, close to \$23 million, and showed a rate of gain roughly the same as for agricultural products. Farm products on which duties had been reduced by the United States recorded a larger proportional gain in imports. During the same period, there was a reduction in imports of other Canadian agricultural products, notably feedstuffs of various kinds.

The increases in Canadian purchases of American agricultural products during the first half year under the agreement contributed \$4 million to the rise in total trade, whereas the much larger and diversified

Canadian imports of American industrial products recorded a gain of \$19 million. However, the rate of increase was greater for the total of American agricultural products purchased by Canada, 18 percent, than for the non-agricultural group, 14 percent. The rate of increased sales in Canada of those American industrial products on which customs reductions were obtained was approximately the same as for those American farm products for which the import charges had been lowered, namely about one-fourth.

Canadian Imports from the United States.

Those classes of American products, agricultural and industrial, on which reductions were obtained in import duties or valuations from Canada under the agreement showed, in general, the most marked recovery in trade during the first six months of its operation, namely 24 percent, and accounted for \$15 million out of the total increased trade of \$23 million. These trade increases were widely distributed among many classes of American producers, and were most notable in certain fresh fruits and vegetables; cotton and rayon piece-goods and wearing apparel; furniture; periodicals, advertising pamphlets and printed matter and various paper products; automotive products, including tractors; radios, refrigerators and other electrical apparatus; electro-plated ware; a wide range of machinery and implements, agricultural and industrial; and in metal products generally.

An additional \$6 million gain in trade was made up of commodities on which previous duty-free admission or low duties into Canada, were bound. The products in this category recording notable increases in Canadian purchases from the United States during the first half year were raw cotton, lemons, rough lumber, undressed furs, low-priced tractors and their parts, and structural iron and steel. All but the last of these products have been guaranteed by Canada continued duty-free entry from the United States for the duration of the agreement. Products not directly affected by the agreement, or for which comparable statistics

are not available, accounted for the remaining \$2 million increase, or for less than 10 percent of the total increased Canadian imports from the United States during the period.

Canadian purchases in this country have been stimulated also by the new privilege whereby Canadians returning from abroad may bring back, duty free purchases up to a value of \$100 per person. This was established in May, 1936, as a result of the undertaking on the subject in the agreement with the United States. From May to August of this year, Canadians returning from visits to the United States reported such incidental purchases to an aggregate value of \$1,200,000. Last year, the Canadian import totals included less than \$100,000 as the reported value of purchases by returning Canadian tourists. ^{1/} Wearing apparel was the most common class of goods reported as purchased in the United States by visiting Canadians, accounting for about one-half of the total. Other important classes of purchases were furniture and household appliances, boots and shoes, tires, and other automobile accessories.

While no quantitative measure is available, American ports and transportation agencies have been benefiting since January, 1936, from the privilege of being able to handle in transit the products of non-Empire countries shipped to Canada through the United States, on the same terms as if such shipments came directly into Canadian ports. American commercial travellers have also benefitted from the privilege provided by the agreement for bringing their samples in under bond, instead of having to pay full duty without possibility of refund.

United States Imports from Canada.

The products on which the United States granted duty reductions to Canada together accounted for \$12 million out of the nearly \$30 million increase in American imports from Canada during the first half year under the agreement. From the nature of the Canadian economy, the gains were

^{1/} American residents returning from abroad have long had a similar customs privilege; while no precise figures as to such incidental purchases are available, estimates on the subject are presented in the published reports on the international balance of payments of the United States.

concentrated in fewer products than in the case of American products going into Canada. The notable increases were recorded in imports of whiskey, cattle (weighing 700 pounds or more), softwood lumber, horses, cheddar cheese, certain fish, maple sugar, seed potatoes, and turnips. In the case of cattle, lumber and potatoes, the duty reductions to Canada were limited to specified quantities. These increased imports were in contrast to declines of half a million in other reduced items, notably oats unfit for human consumption, and by reductions aggregating \$4.5 million in a group of products on which the American duties had not been changed, consisting almost entirely of wheat unfit for human consumption and other grain by-product feeds, which had been imported during 1935 in exceptional quantities because of the drought of the preceding year.

The commodities on which continued duty-free entry into the United States was bound by the agreement accounted for an additional \$9.5 million import increase, consisting mostly of standard newsprint paper, various types of wood pulp, pulpwoods, unmanufactured asbestos, and crude artificial abrasives. The influence of the improving general economic conditions in the United States, which largely accounted for the increased importations of these duty-free industrial materials from Canada, was also seen in the increase by \$3.3 million in American purchases from Canada of refined nickel and its alloys, the duty on which was unchanged. The influence of the rust injury to our Spring wheat crop and the resulting premium prices in the United States was reflected in the \$9 million increased importation of full duty wheat, on which no tariff change had been made.

PRINCIPAL CHANGES IN AMERICAN SALES TO CANADA.

Agricultural Products.---Among the products of American agriculture on which duties or charges were reduced under the agreement that found increased sales in Canada during the first six months, fruits and vegetables were the most prominent. Oranges, on which the duty was waived entirely for the months of January through April, increased their sales in Canada during the period by nearly \$300,000. Grapefruit imports from the United States, which were given year-round duty reduction, rose by \$174,000. Other fresh fruits on which duties or valuations were reduced under the agreement found increased sales to the extent of \$247,000, mainly in apples, melons, plums and cherries. Importations of lemons from the United States, which were bound free under the agreement, increased in value during the first half of 1926 by nearly \$460,000, a situation which was largely influenced by the unavailability of lemons from Italy during that period.

Among the fresh vegetables, on most of which the Canadian duties were cut in half to the United States by the agreement and the official advances in dutiable valuations moderated or removed, the most marked gains in Canadian imports from the United States during the first half year were in lettuce, \$224,000; tomatoes, \$145,000; and asparagus, \$81,000. The other fresh vegetables together, including onions and potatoes, accounted for additional increased sales during the period of nearly \$200,000. Dried fruits and nuts, on which duty reductions of varying degrees were granted, increased their sales in Canada by \$171,000. According to American export records, apricots and pecans were the leading items in this group. Less notable increases in Canadian food imports from the United States were recorded by canned fruits and fruit juices, cleaned rice, various pork products, dried eggs and eggs in the shell.

Among non-agricultural natural products receiving reductions, moderate increases in Canadian imports were recorded for cut flowers and foliage, and for certain canned or preserved fish.

Furs and Leather.---- Among inedible animal products benefiting under the agreement, dressed furs showed increased imports into Canada from the United States during the period of \$134,000; and leather in various forms, including shoes, gained \$86,000.

Cotton.---- Raw cotton and linters from the United States, which were assured against the imposition of any duty recorded increased sales in Canada from January to June of about 45,000 bales, with an increased value of \$1.9 million.

Textile Products.---- Sales of American textiles in Canada had fallen off sharply in recent years, and on many of them only moderate reductions in duty were obtainable. It is significant, therefore, that sizeable gains in Canadian imports from the United States were made during the first half year under the agreement in several classes of textile products. Cotton piece-goods from the United States showed increased imports into Canada amounting to \$212,000 more than in the same period of last year. Miscellaneous cotton wearing apparel registered a gain of an additional \$100,000. Fabrics of silk or of silk mixtures showed increased sales of \$75,000. Wearing apparel and other products of rayon found a market in Canada to an increased value of \$133,000. Smaller gains were recorded for oilcloth and other coated or impregnated textile materials.

Forest Products and Manufactures.---- Substantial gains in sales to Canada during the first half of 1936 were recorded by American producers of a broad range of forest products, including manufactures of wood and of paper, affected by the agreement. The chief gains were in the manufactured or processed products, with the principal increases, in order of magnitude, shown for periodicals, advertising pamphlets and printed matter, various paper products, lumber, and furniture.

Among the partly manufactured American forest products which showed increased sales in Canada during the first six months of 1936, the largest increase, \$298,000, was recorded for rough and partially dressed lumber and timber, consisting principally of Douglas fir, oak and pine. This

group has been assured continued duty-free entry from the United States by the agreement. This total includes a small proportion of dressed lumber, on which a reduction in duty was granted. Other lumber products that had been bound on the Canadian free list accounted for an additional increased business of \$83,000, mainly oak staves, telegraph and telephone poles.

Of manufactured wood products, furniture, on which the Canadian duty had been reduced to the United States by almost half, made the most notable gain in sales, \$147,000. Other wood manufactures, on which varying duty reductions were granted, increased their sales by \$99,000, including plywood; hardwood flooring, on which official valuations were also reduced; and cooperage stock, on which the valuations were entirely eliminated.

Importations from the United States of wallboard, building board and insulating boards, on which the Canadian duties were reduced by about one-third, increased by \$74,000, with smaller increases on cardboard and bristle board. Gains in sales to Canada were made by a wide range of American manufacturers of paper and paper products, which received varying duty reductions, with an increased trade during the first half year of the agreement by \$263,000. The principal paper products affected were printing paper, photographic paper, waxed paper, tissue paper, paper bags, and paperboard containers.

Newspapers and periodicals, on which Canada granted the United States duty-free admission by the agreement, showed a prompt increase in importations during the first half of the year, amounting to \$544,000. A gain of \$162,000 was recorded for advertising pamphlets and printed matter, for which the duties had been reduced, with a smaller increase for pictorial postcards and greeting cards. Commercial blank forms, an item of minor importance, decreased by \$90,000.

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Iron and Steel Products --- Iron and steel and their products, including machinery and automotive products, have long represented a very large proportion of our total annual sales to Canada. The majority of the products in this group were directly benefitted by the trade agreement, either in the form of duty reductions, which affected most of the group, or an assurance that the existing duties and charges would not be increased. Canadian imports from the United States of iron and steel products affected by the Canadian-American trade agreement, including machinery and vehicles, aggregated \$42.9 million in the first six months of 1936, an increase over the corresponding period of 1935 of \$9.2 million. A very broad range of American producers, particularly of advanced manufactured products, participated in this enlarged volume of Canadian purchases.

In the heavy iron and steel group, structural iron and steel, on which the existing duty of \$3.00 per ton was bound against increase, made the largest gain, \$255,000. Of the heavy products accorded duty reductions, moderate increases were recorded for steel rails, and for sheets, plates and hoops. Imports from the United States of castings and forgings, on which the duty was also reduced, decreased by \$234,000.

Imports of lighter weight iron and steel products, including hardware, from the United States, which now benefit by lower rates of duty upon entering Canada, increased by \$209,000. Steel ball and roller bearings, on which the duty was reduced about one-quarter, made the largest gain in this group, increasing \$165,000, while less important increases were registered for pipes, tubes and fittings, and for hardware of various types.

Automotive Products.--- The significant change in the sales to Canada of automotive products, following the reductions in duties and

other changes granted the United States under the agreement, was the substantial increase in sales of complete motor vehicles and chassis of American manufacture and of parts for replacement, each more than offsetting the decline in the sales of engines and other parts for assembly. Canadian importations from the United States of complete vehicles and chassis increased in value during January-June 1936 by \$2.1 million over the same period of last year. Passenger automobiles and chassis, which received, under the agreement, the double benefit of lower duties and the elimination of fixed maximum discounts, accounted for the principal share of this gain, registering increased sales of \$1.5 million. Trucks and busses, and chassis for them, which were granted similar benefits, were purchased in increased amounts of \$379,000 and \$160,000, respectively.

On the other hand, automotive parts, including engines, which have for some years represented the major part of Canadian purchases of automotive products from the United States, showed a decline during the first half of 1936 by \$250,000. While Canadian import statistics do not separate parts for assembly from parts for replacement, the breakdown from the United States records of exports to Canada shows a decline over last year of \$1.2 million, with parts for replacement, including engines, registering an increase of \$1.3 million. This tendency is confirmed by the fact that automotive engines alone, which are shipped predominantly for assembly, and are separately classified in the Canadian trade records, showed a decline in imports of \$440,000 over the same period of last year.

Machinery, Agricultural, Industrial and Domestic.-- In the machinery group, imports of farm implements and farm machinery, on practically all of which the duty was cut in half by the agreement and in some cases subsequently further lowered, accounted for an increase of \$424,000 over the corresponding first six months of last year. Notable gains of \$173,000 for agricultural implements and \$116,000 for threshing machinery were recorded, with smaller increases shown for dairying and harvesting machinery.

Industrial machinery sales of which exceed in value by a large margin our sales of other types of machinery to Canada, increased to that country for the first six months of 1936 by \$3.1 million. Typecasting and typesetting machines were the only types of industrial machinery on which the existing free-entry status was bound, and here a small increase was recorded. All other machinery in this category affected by the agreement was granted tariff reductions ranging from minor decreases to complete elimination of duties, with special consideration for machinery of a class or kind not made in Canada. Among these, the most significant trade gains were made in the following classifications:

Metal-working machinery	\$492,000
Textile machinery	382,000
Printing machinery	283,000
Mining and metallurgical machinery	169,000
Refrigerating and ice-making machines	129,000
Paper and pulp mill machinery	113,000
Power shovels	108,000

The number of electric refrigerators for domestic and store use imported by Canada from the United States was over three times that of the first half of last year, with an increase in value of \$279,000. Smaller trade gains were recorded for sewing machines and washing machines.

Canadian imports of office machinery from the United States, which also received duty reductions under the trade agreement, increased by \$209,000. Of this total, adding, calculating and bookkeeping machines accounted for \$135,000; dictating machines and cash registers made up the remainder.

Among the other manufactures of iron and steel on which duties were reduced, the most marked gain was recorded for cooking and heating apparatus, which increased \$130,000. Other imports in this category showing appreciable increases over last year were steel furniture, precision tools, valves of iron and steel, and tinplate containers.

Electrical Apparatus.-- Sales of electrical apparatus to Canada during the first six months of 1936, including radios and parts, increased over the corresponding period of last year by over a million dollars.

Most types of American electrical equipment were accorded favorable treatment in the trade agreement, either through reduced duties or elimination of fixed valuations. Among those benefiting from reduced duties, the most important gain was registered in electric motors and parts, which increased \$168,000, with smaller increases recorded for dynamos and generators, batteries, rheostats and controllers, switches and switchboards, and telegraph and telephone apparatus. Electric light fixtures and appliances, on which the burdensome fixed valuations were eliminated, increased by \$141,000. Radio apparatus, including tubes, which was granted a reduction in duty as well as elimination of the fixed discount formerly applied to receiving sets, accounted for an advance of \$415,000. Imports of spark plugs and other ignition apparatus registered a decline of \$111,000.

Other Metal Products.-- Among the non-ferrous metals and products receiving reduced duties from Canada, the most notable gain was made in electro-plated and gilt ware, which increased \$271,000. Next in importance were brass manufactures, including brass wire and cloth, for which an advance of \$129,000 was reported. Of the other non-ferrous metal products, less outstanding increases were recorded for manufactures of copper, tin tubes, and watches and clocks.

Non-Metallic Minerals.-- Non-metallic minerals and products that were granted tariff concessions under the agreement made appreciable gains in the first half year over the similar period of 1935. Canadian imports from the United States of products in this category affected by duty reductions increased \$663,000. The principal products sharing in the increased trade were lubricating oils, \$164,000; glass bottles, \$167,000; and fire brick, \$117,000. Products contributing to a lesser extent were asbestos brake lining, glass tableware, lamp bulbs, engine distillate, and axle grease.

Chemical Products.-- Canadian imports of chemical products from the United States in the first six months of the year increased less markedly, an increase of \$190,000 being recorded for those products on which duties

were reduced. Among the chemical products sharing in the increased trade were compounds of tetraethyl lead, medicinal and pharmaceutical preparations, liquid fillers and anti-corrosive paints, and compounds of sodium.

Miscellaneous Products.-- In the miscellaneous category, sizeable trade increases were recorded in many important items. Canadian imports from the United States of miscellaneous products benefiting from lower trade agreement duties accounted for an advance of \$1,324,000 over the total recorded in last year's comparable period. The individual product making the largest gain was photographic films, \$184,000, while less outstanding increases occurred in billiard tables and other game boards, optical and mathematical instruments, surgical and dental instruments, suitcases, pocketbooks, etc., musical instruments, and wax, other than paraffin.

PRINCIPAL CHANGES IN CANADIAN SALES TO THE UNITED STATES.

Whiskey.-- Of the commodities on which duties into the United States were reduced under the Canadian-American trade agreement, the largest increase in imports recorded during the first half year of its operation took place in whiskey. Following the reduction by one-half of the former \$5 per gallon duty, whiskey imports from Canada rose from 1.5 million gallons during the first half of 1935 to 2.9 million gallons during the first half of this year, with an increase in trade value of over \$4.7 million. Limited as the concession was to whiskey aged not less than four years, the increased importations from Canada, and from the United Kingdom, served to supplement the insufficient domestic supply of aged whiskey.

Agricultural Products.-- Among agricultural products, which, until recent years, regularly constituted a very important part of American importations from Canada, the largest increase in imports of commodities covered by the agreement during the first half year were cattle weighing 700 pounds or more. The duty reduction, from 3 cents to 2 cents per pound, was limited to three-quarters of 1 percent of the average annual total number of cattle slaughtered in the United States during the years 1928-32, or not quite 156,000 head. Imports rose from the very low figure of 50,000 head during the first half of last year to 113,000 head this year, the value of the increased trade amounting to \$2.9 million. About 70 percent of the annual quota came in during the first six months, and, by the end of September, the quota was announced as practically exhausted, making possible no further imports under the reduced rate for the balance of the year. The price in the American markets of middle-grade steers, into which grade the bulk of the slaughter cattle from Canada fell, held up better under the heavy domestic marketings this year than did the prices of higher-grade steers, of which the imports were very light.

The duty reduction on calves weighing under 175 pounds, which was also 1 cent a pound, was limited to one-quarter of 1 percent of total

domestic slaughterings, and here the imports from Canada during the first half of the year of the agreement amounted to 34,000 head, valued at \$480,000. No comparable figures for calf imports are available for 1935. By early August, the entire quota of 52,000 head had been used up, practically all by Canada. For the balance of this year, all imports of cattle weighing under 700 pounds are subject to the payment of the full duties. In the case of dairy cows, on which the reduction in duty was limited to 20,000 head annually, the imports have been very small, less than a quarter of the quota having been filled as late as September.

Imports from Canada of horses valued at less than \$150 each increased by 9,600 head during the first half year under the agreement, at an increase in value of \$1.2 million. These imports of work stock, used mostly on farms, came in to supplement domestic production of young stock, which is at a low level due to the decrease in farm demand during the depression.

Imports of cheese from Canada, almost all of which is of the cheddar type, increased during the first six months under the reduced duty by \$435,000. In quantity, imports were 3.8 million pounds, as compared with the abnormally low imports of less than one-half million pounds during the corresponding period of 1935, and with the average half-year imports during 1925-29 of 2.6 million pounds. With recovery of consumer buying power, more cheese was consumed in the United States this year, both domestically produced and imported, and at better prices, than in 1935, the price of cheddar cheese in July of this year averaging 27 percent higher than that of a year ago.

In the case of cream, the only other dairy product reduced in the Canadian agreement, the duty reduction was limited to 1 1/2 million gallons a year. During the first half year of the agreement, only 6,000 gallons entered the United States, cream prices in the United States apparently not being attractive to imports from Canada, even over the reduced duty.

Maple sugar imports from Canada during the first six months of 1936 increased by \$327,000 over the corresponding period of last year. This

was partly offset by a decline of \$132,000 in imports of maple syrup, the duty on which was not reduced under the agreement.

In the case of potatoes, the reduction in duty, on a seasonal basis, was confined to certified seed potatoes and limited to a 12-month quota of 750,000 bushels. During the first six months of 1936, imports of seed potatoes, almost negligible last year, increased in value by \$295,000, associated with the considerably higher domestic potato prices that prevailed in the United States than during the preceding year. The quota on which the duty reductions was granted has not, however, been fully utilized, American Customs records showing 46 percent of the annual total to have been used by the end of September.

Importations from Canada of turnips and rutabagas, on which the duties were reduced, increased during the first half year by \$129,000. These shipments were mainly into the urban markets of northeastern United States, to which it is usually not profitable to transport the domestic crop.

Wheat for human consumption was not granted any concession in the Canadian agreement. However, due to the rust damage to the Spring wheat crop last year, especially in our Northern Plain States, the main source of our "Durum" wheat, 11 million bushels of wheat were imported from Canada during the first half of this year, to a value of nearly \$10 million, an increase of \$9 million. A substantial portion of these imports is reported to have been of Durum wheat to make up the domestic shortage, and most of the rest to have been selected grades of Canadian hard wheat for blending purposes, which are usually sold at a premium. These imports all paid the full United States duty of 42 cents a bushel, which has been operative since early 1924.

Partly offsetting the above increases in importations of agricultural products from Canada during the first half of 1936 has been the substantial decline in the importations of wheat unfit for human consumption and a number of other grain by-product feeds, by an aggregate value of close to \$4.5 million. The importations of these fodders had been exceptional

the preceding year, following the drought of 1934, and have apparently tapered off with the return of more normal domestic supplies. These products have all been subject to a 10 percent duty since the Act of 1930, and were so continued under the agreement.

In this connection might be mentioned the sharp decline also in imports of hulled oats unfit for human consumption, on which a duty reduction was granted to Canada. (Imports of all oats during the first half of 1935, including some for food purposes, amounted to 761,000 bushels, valued at \$305,000. During the same period of this year, the imports fell to \$14,000, of which the type reduced in duty made up only \$5,000).

Forest Products.— Newsprint paper and paper-making materials, for which the requirements of the American market are far greater than the domestic supply, have for years made up the largest group of products imported from Canada. They have long been on the free list of the United States tariff, and the American undertaking to Canada that most of them would continue duty free was an important feature of the Canadian-American trade agreement. During the first half year of its operation, the importation of standard newsprint paper from Canada increased by \$5.6 million; of the types of wood pulp bound free (mechanical, soda, and bleached sulphite), by \$1.3 million; and of pulpwoods, by \$331,000, reflecting an increase over last year in general paper consumption in the American market. This group together accounted for three-quarters of the total increase in American imports from Canada in products bound free by the agreement, and about one-quarter of the total increase in imports of all products. The domestic producers of newsprint during this period maintained their volume of 1935.

The principal class of forestry products on which the United States granted a reduction in the costs of admission was softwood lumber. Here imports from Canada during the first six months increased by 121 million board feet, and in value by \$2.4 million. In the case of Douglas fir

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and Western hemlock, the lumber of particular interest to the Canadians, the quantity that might enter at the reduced rate was limited to 250 million board feet annually, equivalent to about 5 percent of United States consumption. The actual importations of these species during the first six months amounted to 75 million board feet, or less than one-third of the annual quota; by the end of September, only 107 million board feet, or less than half of the year's quota, had actually been brought in, mainly into the Massachusetts, New York and Philadelphia districts. The market price in the United States for Douglas fir and Western hemlock is reported as practically unchanged in September 1936 from a year ago.

Maple, birch and beech lumber, other than flooring, on which a small reduction in duty was made, was imported for the use of American furniture and fabricating plants to an increased value of \$203,000 over the corresponding period of last year. These imports amounted to 6 percent of the total United States production, and the domestic price of these types of lumber is reported to have strengthened in the middle of 1936 over the year previous.

Smaller increases in imports were reported for logs and round or hewn timber of several species, aggregating \$92,000, and for railroad ties and wood laths, all of which had been duty free into the United States and were so continued. Shingles, mainly of cedar, which also remained duty free, but subject to the continuation of the arrangement limiting imports to 25 percent of our domestic production, showed some increase in value but a small decline in quantity from the imports during the corresponding period of 1935.

Fish.— The various classes of fresh and frozen fish on which duties were reduced to Canada showed a combined increased sale in the United States during the first half year under the agreement, valued at \$341,000. (This does not include cims, mullet and saugers, for which no separate figures were available for 1935.) The principal increases in imports

were in fresh-water fish, notably yellow pike, by \$96,000; and white fish, by \$81,000. In the case of both of these, a very large part of the United States consumption, which well exceeds the domestic catch, has for years been supplied from the northern lakes of Canada.

Increased importations were recorded also for two types of fish which have for some time been on the free list of the American tariff and were so continued under the agreement, namely fresh lobsters, by \$189,000, and smelts, by \$184,000. In the case of both of these fish, the catch in the Atlantic Coast waters of the United States has for some years been inadequate for local needs, and has been supplemented largely from Canada.

Metals, Minerals, and Chemicals.--- Reflecting the revival of industrial activity in the United States, among other factors, were the increases in importations from Canada during the first half of 1936 of a number of materials, chiefly metals and minerals, which are produced in the United States in only small quantities, if at all, and for which Canada has long been the chief source of supply of the consuming industries in the United States. These materials had long been on the free list of the American tariff and were so bound by the agreement. They consisted principally of unmanufactured asbestos in its various forms, of which imports increased by \$849,000; crude artificial abrasives, by \$284,000; nickel ore, matte and oxide, by \$142,000; sodium cyanide, by \$111,000; and certain kinds of undressed furs, by \$95,000. In this connection might be mentioned nickel and alloys in the form of pigs and ingots, on which no reduction in duty was made, the imports of which increased over the preceding year by \$3.3 million.

Dead-burned refractory material, on which a small cut was made, recorded an increase in imports of \$62,000. Acetic acid, on which a reduction was granted to Canada, declined in imports by \$347,000. Vinyl acetate and synthetic resins made thereof, also reduction items, increased by \$84,000.

Table 1

Total Value of United States Trade with Canada
by Months, January through June, 1933 to 1936.

(Canadian-American Trade Agreement Became Effective on January 1, 1936)

(Thousands of Dollars)

	Six Months Ending June			
	1933	1934	1935	1936
	Before agreement		After agreement	
Imports from Canada <u>1/</u>				
January	10,706	16,397	19,235	24,276
February	8,530	14,156	18,142	22,931
March	10,055	17,977	20,877	26,822
April	11,078	16,277	22,353	26,719
May	14,810	18,728	27,024	28,744
June	<u>15,262</u>	<u>18,626</u>	<u>22,313</u>	<u>30,347</u>
Total for six months ending June	70,441	102,161	129,944	159,839
Exports to Canada of United States Merchandise <u>2/</u>				
January	11,499	17,598	21,624	25,719
February	10,830	18,286	21,958	23,880
March	13,109	23,367	24,210	26,343
April	12,584	24,852	27,478	30,229
May	15,353	30,539	29,273	35,258
June	<u>16,929</u>	<u>26,682</u>	<u>26,532</u>	<u>33,511</u>
Total for six months ending June	80,304	141,324	151,075	174,940

1/ General imports for 1933, imports for consumption beginning with January, 1934.

2/ In view of the closer correlation between the Canadian statistical classifications and the items in the Canadian tariff, upon which were based the concessions granted to the United States in the agreement, Canadian import figures have been used in the analysis as a measure of the American shipments to that country. This also avoids the inaccuracies arising from transshipments of United States merchandise in Canada and other technical difficulties.

Source: Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce, United States Department of Commerce.

Table 2

Total Value of Canadian Trade with the United States
by Months, January through June, 1933 to 1936.

(Thousands of Canadian dollars)

Months	January to June, inclusive			
	1933	1934	1935	1936
	Before agreement			After agreement
Imports for Consumption from United States				
January	14,877	19,430	23,157	26,285
February	13,836	19,634	23,498	25,969
March	18,517	29,064	31,333	32,797
April	11,786	21,784	23,506	26,229
May	18,034	30,065	28,256	33,560
June	<u>18,399</u>	<u>26,699</u>	<u>25,912</u>	<u>33,995</u>
Total for six months ending June	95,449	146,676	155,662	178,835
Exports to United States ¹ /of Canadian produce				
January	10,007	18,317	17,529	20,130
February	8,623	14,393	15,574	21,555
March	10,378	20,199	21,916	26,846
April	8,382	12,870	15,717	20,765
May	13,857	17,202	22,610	26,505
June	<u>14,847</u>	<u>15,944</u>	<u>21,102</u>	<u>26,462</u>
Total for six months ending June	66,094	98,925	114,448	142,263

¹/ In view of the closer correlation between the United States statistical classifications and the paragraphs of the United States tariff, upon which were based the concessions granted to Canada in the agreement, American import figures have been used in the analysis as a measure of Canadian shipments to this country. This also avoids the inaccuracies arising from transshipments of Canadian merchandise in the United States and other technical difficulties. Canadian export figures are exclusive of gold bullion.

Source: Summary of the Trade of Canada, Dominion Bureau of Statistics, Canadian Department of Trade and Commerce.

Table 3

SUMMARY OF CHANGES IN CANADIAN IMPORTS FROM UNITED STATES,
DURING FIRST HALF OF 1936, BY PRINCIPAL COMMODITIES

Classified According to Treatment Under the Canadian-American Agreement

(Values in Thousands of Canadian Dollars)							
	Q U A N T I T Y			V A L U E			
	Unit	1935	1936	January to June, incl. 1935	January to June, incl. 1936	Amount of Change	
Total imports for consumption from United States				155,662	178,835	+ 23,173	
Commodities on which Canadian duties were reduced, total <u>1/</u>				64,544	80,037	+ 15,493	
Oranges, mandarines, and tangerines (imports for Jan. through April only <u>2/</u>)	1,000 cu.ft.	1,411	1,741	1,769	2,066	+ 297	
Grapefruit	1,000 lb.	20,995	21,150	453	628	+ 175	
Apples	bbls.	945	25,519	7	92	+ 85	
Melons	--	--	--	97	148	+ 51	
Other fresh fruit including plums, cherries, etc. <u>3/</u>	--	--	--	589	699	+ 110	
Lettuce	1,000 lbs.	10,471	29,286	257	481	+ 224	
Tomatoes	1,000 lbs.	3,285	9,671	170	315	+ 145	

- 1/ Imports from U. S. for the first half of 1936 of those commodities for which no comparable classification existed for 1935, and which cannot therefore be here included, amounted to about \$60,000 or less than 1/10 of 1% of the total imports of reduction items.
- 2/ Oranges, mandarines and tangerines enter Canada from the United States free of duty during the months, January through April. Imports during remainder of year from United States pay the same rate as before the agreement, 35 cents per cubic foot.
- 3/ This is the total for only those unspecified fresh fruits affected by tariff reductions, and not necessarily for all other fresh fruits. The same type of calculation is carried forth with regard to all groups containing unspecified items.

Table 3
(continued)
(Values in Thousands of Canadian Dollars)

(values in thousands of Canadian dollars)							
	Q U A N T I T Y			V A L U E		Amount of Change	
	Unit	January to June, incl. 1935	January to June, incl. 1936	January to June, incl. 1935	January to June, incl. 1936		
Duty reduction commodities (continued)							
Asparagus	1,000 lbs.	872	2,296	63	144	+ 81	
Other fresh vegetables including onions and white potatoes <u>4/</u>	--	--	--	1,600	1,820	+ 220	
Dried fruits, including apricots	--	--	--	134	196	+ 62	
Canned fruits and juices including pineapples	1,000 lbs.	353	1,036	31	94	+ 63	
Nuts, including pecans, almonds, walnuts and other shelled nuts	--	--	--	104	213	+ 109	
Rice, cleaned	cwt.	14,004	25,319	55	94	+ 39	
Flowers and foliage, natural, cut (imports for January through April <u>5/</u>)	--	--	--	22	60	+ 38	
Salt pork	1,000 lbs.	323	844	33	85	+ 52	
Eggs, dried or evaporated	1,000 lbs.	6	41	2	34	+ 32	
Eggs in the shell <u>4/</u> (imports for January through April <u>5/</u>)	dozen	10,694	88,462	7	27	+ 20	
Fish, fresh or preserved	--	--	--	184	280	+ 96	
Furs, wholly or partly dressed	--	--	--	244	378	+ 134	

^{4/} The reduction in the Canadian duty on white potatoes was received by the U. S. through the application of most-favored-foreign-nation treatment accorded products of the United States, but was not specifically covered in the agreement. Beginning May 2, this duty was made dependent upon what white potatoes would pay upon importation into the U.S. from Canada.

^{5/} The reductions in Canadian duties on cut flowers and foliage, and eggs in the shell were received by the United States through the application of most-favored-foreign-nation treatment accorded products of the United States, but were not specifically covered in the agreement. Beginning May 2, the duties on these products were made dependent upon what such products would pay upon importation into the United States from Canada.

Table 3
(continued)
(Values in Thousands of Canadian Dollars)

(values in thousands of Canadian dollars)							
	Q U A N T I T Y			V A L U E			
		January to June, incl.:		January to June, incl.:		Amount	
	Unit	1935	1936	1935	1936	of Change	
Duty reduction commodities (continued)							
Boots, shoes and slippers of leather	pair	50,402	77,016	163	218	+	55
Other leather and manufactures	--	--	--	345	376	+	31
Cotton piece goods	--	--	--	1,022	1,234	+	212
Miscellaneous cotton wearing apparel	--	--	--	129	230	+	101
Fabrics of silk or silk mixtures	--	--	--	262	337	+	75
Wearing apparel of artificial silk	--	--	--	29	93	+	64
Other artificial silk and manufactures	--	--	--	218	287	+	69
Oil cloth, linoleum and other impregnated cloth	--	--	--	294	394	+	100
Miscellaneous rubber manufactures	--	--	--	359	472	+	113
Furniture of wood	--	--	--	145	293	+	148
Other manufactures of wood, including plywood, cooperage, and hardwood flooring	--	--	--	559	602	+	43
Paperboards, including wall board and insulating boards	1,000 lbs.	679	2,091	39	113	+	74
Cardboards and bristol boards	--	--	--	173	202	+	29
Miscellaneous paper and paper manufactures including printing paper, photographic paper, tissue paper, waxed paper and paperboard containers	--	--	--	1,530	1,792	+	262
Newspaper and periodicals	--	--	--	1,312	1,856	+	544
Advertising pamphlets and printed matter	1,000 lbs.	1,128	1,420	458	621	+	163
Pictorial post cards and greeting cards	1,000 lbs.	91	169	111	141	+	30
Commercial blank forms	--	--	--	274	184	-	90
Steel rails	tons	1,684	4,497	55	105	+	50
Iron and steel sheets, plates, hoop, band and strip	cwt.	97,804	112,890	380	421	+	41
Castings and forgings	--	--	--	847	613	-	234
Steel balls and roller bearings	--	--	--	164	329	+	165
Pipes, tubes and fittings	--	--	--	206	292	+	86

Table 3
(continued)
(Values in Thousands of Canadian Dollars)

	Q U A N T I T Y				V A L U E		
	Unit	1935	1936		1935	1936	Amount of Change
Duty reduction commodities (continued)							
Passenger cars and chassis	number	1,876	3,802		1,132	2,678	+ 1,546
Trucks and chassis	number	537	916		403	783	+ 380
Busses	number	5	28		14	173	+ 159
Automobile engines including truck engines	number	22,210	26,212		3,830	3,389	- 441
Automobile parts	--	--	--		9,821	10,012	+ 191
Other vehicles including motorcycles, locomotives and parts, and railway cars and parts	--	--	--		302	476	+ 174
Tractors (valued over \$1400) and parts	--	--	--		375	606	+ 231
Diesel engines and parts	number	55	76		227	332	+ 105
Marine and other internal combustion engines	number	3,776	4,805		386	463	+ 77
Farm implements and machinery	--	--	--		923	1,347	+ 424
Office machinery and appliances	--	--	--		592	802	+ 210
Sewing and washing machines and vacuum cleaners	--	--	--		556	680	+ 124
Mining and metallurgical machinery	--	--	--		352	521	+ 169
Metal working machinery	--	--	--		1,102	1,594	+ 492
Paper and pulp mill machinery	--	--	--		115	227	+ 112
Printing machinery	--	--	--		582	866	+ 284
Refrigeration machinery, industrial	--	--	--		180	309	+ 129
Power shovel, steam, electric or other and parts	number	5	19		46	154	+ 108
Textile machinery	--	--	--		1,054	1,437	+ 383
Other miscellaneous machinery	--	--	--		2,153	3,377	+ 1,224
Steel furniture	--	--	--		84	165	+ 81
Cooking and heating apparatus	--	--	--		263	393	+ 130
Brass manufactures	--	--	--		820	1,004	+ 184
Electro-plated and gilt ware	--	--	--		70	341	+ 271
Nickel and nickel-plated ware	--	--	--		284	207	- 77

Table 3
(continued)
(Values in Thousands of Canadian Dollars)

	Q U A N T I T Y			V A L U E		
	Unit	1935	1936	1935	1936	Amount of Change
Duty reduction commodities (continued)						
Clocks and watches, movements, cases and parts	--	--	--	172	225	+ 53
Electrical apparatus:						
Motors and parts	--	--	--	428	596	+ 168
Dynamoes, generators and parts	--	--	--	81	152	+ 71
Starting and controlling devices	--	--	--	156	208	+ 52
Light fixtures and appliances	--	--	--	154	295	+ 141
Spark plugs and other ignition apparatus and parts	--	--	--	197	86	- 111
Other electrical apparatus	--	--	--	1,357	1,646	+ 289
Radio apparatus including tubes	--	--	--	629	1,044	+ 415
Brick, fire, for furnaces	--	--	--	276	393	+ 117
Glass containers	--	--	--	192	359	+ 167
Glass tableware	--	--	--	256	290	+ 34
Lubricating oils	1,000 U.S. gal.	7,592	8,552	1,262	1,426	+ 164
Medicinal and pharmaceutical preparations	--	--	--	411	464	+ 53
Compounds of tetraethyl lead	1,000 lbs.	976	1,270	525	623	+ 98
Other chemical products	--	--	--	1,283	1,322	+ 39
Films	--	--	--	229	412	+ 183
Surgical and dental apparatus	--	--	--	412	484	+ 72
Refrigerators, electric, domestic and store	number	2,162	7,064	150	429	+ 279
Pocketbooks, portfolios, satchels, etc.	--	--	--	114	168	+ 54
Other commodities on which Canadian duties were reduced	--	--	--	15,699	18,020	+ 2,321

Table 3
(continued)
(Values in Thousands of Canadian Dollars)

	Q U A N T I T Y			V A L U E		
	Unit	1935	1936	1935	1936	Amount of Change
Commodities on which existing free entry into Canada or existing Canadian duty was bound <u>6/</u> , total	--	--	--	14,452	20,208	+ 5,756
Structural iron or steel	tons	6,443	12,950	256	511	+ 255
Raw cotton and linters	1,000 lbs.	47,420	70,362	6,491	8,404	+ 1,913
Lemons	boxes	163,403	191,085	364	824	+ 460
Rough and partially dressed lumber and timber	--	--	--	1,266	1,588	+ 322
Other partially manufactures of wood:						
Poles, telegraph and telephone	number	876	9,851	5	33	+ 28
Staves of oak	1,000	2,247	4,264	52	95	+ 43
Tractors and parts	--	--	--	1,978	3,527	+ 1,549
Other commodities bound free or dutiable	--	--	--	4,040	5,226	+ 1,186
Other Commodities (predominantly non-agreement)	--	--	--	76,666	78,590	+ 1,924

6/ "Structural iron or steel" is the only group on which the existing Canadian duty was bound. All of the other commodities are bound at the existing free rate of duty.

Source: Compilation from Quarterly Trade of Canada, Dominion Bureau of Statistics.

Table 4

Summary of Changes in United States Imports from Canada,
During First Half of 1936, by Principal Commodities.

Classified According to Treatment under the Canadian-American Agreement.

(Value in Thousands of Dollars)						
	Q U A N T I T Y			V A L U E		
	Unit	1935	1936	1935	1936	Amount of Change
Total imports for consumption from Canada				129,944	159,839	+ 29,895
Commodities on which United States duties were reduced (includes also some principal commodities for which only relatively exact comparable data were available for 1935), total				19,095	31,496	+ 12,401
Whiskey (aged not less than four years in wood containers)	pf. gal.	1,523,059 ^{1/}	2,876,691	6,936 ^{1/}	11,619	+ 4,683
Cattle, weighing 700 pounds or more (including dairy cows)	no.	50,255	113,338	3,109	5,966	+ 2,857
Cattle, weighing less than 700 pounds, each, total:	no.	22,143	44,456	816	775	- 41
Weighing less than 175 pounds each	no.	2 ^{1/}	34,083	2 ^{1/}	480	--
Weighing 175 but less than 700 pounds each (no reduc- tion for this class)	no.	2 ^{1/}	10,373	2 ^{1/}	295	--
Horses, except for slaughter or breeding, valued at not more than \$150 per head	no.	3,078	12,670	359	1,522	+ 1,163
Sawed boards, planks, deals, and sawed timber (except cabinet woods):						
Softwoods	M ft.	127,838	248,607	3,109	5,558	+ 2,449
Hardwoods	M ft.	7,520	15,877	294	570	+ 276

^{1/} This represents total imports from Canada of all whiskey in the first half of 1935 but, approximately comparable, since bulk of whiskey imported in 1935 was aged not less than four years in wood containers.

^{2/} No separation in 1935 of cattle weighing less than 700 pounds. In order to get comparable data, the class of 175 to 700 pound cattle is also shown here, although no reduction in duty was granted on this weight of cattle.

Table 4
(continued)
(Value in Thousands of Dollars)

	(Value in Thousands of Dollars)				Q U A N T I T Y				V A L U E				
		January to June, incl.		January to June, incl.		January to June, incl.		January to June, incl.		Amount			
	Unit	1935	1936	1935	1936	1935	1936	1935	1936	of Change			
Cheddar cheese	:1,000 lbs.:	454 ⁴ / ₇	4,826	58 ⁴ / ₇	493	+	435						
Cream	:gal.	227	6,055	3 ¹ / ₂	8	+	8						
Fish, fresh or frozen (excluding chubs, for which no comparable data were available for 1935, and mullet and saugers which are given later)	:1,000 lbs.:	16,658	20,474	1,508	1,849	+	341						
Maple sugar	:1,000 lbs.:	1,016	2,977	154	481	+	327						
Seed potatoes	:1,000 lbs.:	2,895	23,397	27	322	+	295						
Turnips and rutabagas	:1,000 lbs.:	41,308	58,884	236	365	+	129						
Fresh water fish, n.e.s., fresh or frozen, total	:1,000 lbs.:	6,438 ⁵ / ₈	7,369	380 ⁵ / ₈	426	+	46						
Mullet	:1,000 lbs.:	5 ¹ / ₂	329	5 ¹ / ₂	15	--	--						
Saugers	:1,000 lbs.:	5 ¹ / ₂	3,924	5 ¹ / ₂	231	--	--						
Other fresh water fish, n.e.s., fresh or frozen (no reduction for this class)	:1,000 lbs.:	5 ¹ / ₂	3,116	5 ¹ / ₂	180	--	--						
Other products on which United States duties were reduced	: --	--	--	2,109	1,542	-	567						
Commodities on which existing United States duties were bound, total	:	:	:	7,358	2,822	-	4,536						
Wheat, unfit for human consumption	:bu.	5,435,797	1,728,110	3,809	1,007	-	2,802						
Bran, shorts and other wheat by-products feeds	:ton(2000lbs):	123,010	103,971	2,979	1,600	-	1,379						
Screenings, chuff, etc., of grains or seeds, except flaxseed	:ton(2000lbs):	20,609	18,229	296	90	-	206						
Other products on which existing United States duties were bound	: --	--	--	274	125	-	149						

3/ Less than \$500; or, to be exact, 227 gallons valued at \$246.

4/ Estimated imports of Cheddar cheese were not separately classified in 1935. It is estimated that 95 percent of the total imports of cheese from Canada were Cheddar in 1935. Total imports of cheese from Canada in the first half of 1935 amounted to 477,883 pounds, valued at \$60,825.

5/ In 1935, imports of mullet and saugers were reported in the classification, "Fresh water fish, n. e. s., fresh or frozen". Since the agreement provides for entry of these specified fish at a lower rate than that applicable to other types of fish included in this basket category in 1935, they are separately classified for 1936. Canada is practically the sole supplier of mullet and saugers.

Table 4
(continued)
(Value in Thousands of Dollars)

	Q U A N T I T Y			V A L U E			Amount of Change
	Unit	1935	1936	1935	1936		
Commodities on which existing free entry into the United States was bound (excludes products for which exactly comparable data were not available for 1935) ^{b/} , total				58,068	67,602	+	9,534
Standard newsprint paper	:1,000 lbs.	1,935,206	2,237,530	33,962	39,611	+	5,649
Wood pulp:							
Mechanically ground, bleached and unbleached	:ton	61,649	71,136	1,061	1,255	+	194
Sulphite, bleached	:ton	105,566	130,924	5,998	7,033	+	1,035
Soda pulp, bleached and unbleached	:ton	5,042	6,883	219	295	+	76
Pulpwoods	:cord	366,363	397,817	2,486	2,817	+	331
Shingles, of wood	:square	908,862	877,058	2,277	2,341	+	64
Asbestos, unmanufactured	:ton	53,353	79,694	1,793	2,642	+	849
Artificial abrasives, crude	:1,000 lbs.	65,130	70,395	1,480	1,764	+	284
Nickel ore, matte and oxide	:1,000 lbs.	10,811	11,729	1,437	1,579	+	142
Lobsters, fresh	:1,000 lbs.	5,123	5,918	1,152	1,341	+	189
Smelts, fresh or frozen	:1,000 lbs.	4,445	6,323	421	605	+	184
Sodium cyanide	:1,000 lbs.	7,571	8,821	694	805	+	111
Undressed furs of mink, muskrat, beaver, and wolf	:no.	582,159	322,867	1,675	1,770	+	95
Other products on which existing free entry into United States was bound	: --	--	--	3,413	3,744	+	331
Important commodities on which no change was made, total:				7,625	19,904	+	12,279
Wheat (full duty)				889	9,969	+	9,080
Nickel and alloys				6,563	9,894	+	3,331
Maple sirup	:1,000 lbs.	2,234	274	173	41	-	132

^{b/} The imports of these bound free products for which no comparable data were available in 1935 amounted to \$416,000 in the first half of 1936.

Table 4
(continued)
(Value in Thousands of Dollars)

	Q U A N T I T Y			V A L U E		
	Unit	1935	1936	1935	1936	Amount of change
Other commodities (includes some agreement items for which no exactly comparable data were available for 1935, but excludes those for which imports in 1935 have been estimated and listed above), total	--	--	--	37,798	38,015	+ 216
Agreement commodities having no comparable data for 1935	--	--	--	L/	699 ^{g/}	--
Non-agreement products	--	--	--	L/	37,316	--

L/ Not separable for 1935.

g/ See attached supplementary table for further analysis of these products.

Source: Compilation from material of Statistical Section, United States Tariff Commission.

Supplementary Table for Table 4

Further Analysis ^{1/} of Imports from Canada of Agreement Commodities
Having no Strictly Comparable Data for 1935

(Value in thousands of dollars)

	Q U A N T I T Y				V A L U E	
	January to June, incl.:		January to June, incl.:		Amount	
Unit	1935	1936	1935	1936	of Change	
Total imports from Canada of agreement products having no exactly comparable data for 1935 (as reported in Table 4)	--	--	--	--	699	
Those for which reduced U. S. duties were granted	--	--	--	--	283	
Those for which free entry into U.S. was bound	--	--	--	--	416	
Principal products on which United States duties were mainly reduced and for which fairly comparable data are available:						
Ice skates and parts	--	-- ^{3/}	--	40 ^{2/}	73	+ 33
Acetylene black	1000 lbs.	381	430	38 ^{3/}	44	+ 6
Ferrosilicon containing 8 but less than 30 percent silicon content	1000 lbs.	517 ^{4/}	474	46 ^{4/}	31	- 15
Talc, steatite or soapstone, ground and washed (except toilet preparations) valued at not over \$12.50 per ton.	1000 lbs.	5,415 ^{5/}	6,482	28 ^{5/}	29	+ 1
Chickens, ducks, geese and guineas, total	1000 lbs.	50	88	10	20	+ 10
Chickens and guineas ^{7/}	1000 lbs.	6/	88	6/	20	--
Ducks and geese ^{8/}	1000 lbs.	6/	9/	6/	9/	--

Supplementary Table for Table 4

(Continued)

(Value in Thousands of dollars)

	Q U A N T I T Y			V A L U E		
	January to June, incl.			January to June, incl.		
	Unit	1935	1936	1935	1936	Amount of change
Lake herring, crescoes, and chubs, total	1000 lbs.	453	792	47	93	+ 46
Chubs <u>7/</u>	1000 lbs.	<u>6/</u>	230	<u>6/</u>	32	--
Lake herring and crescoes <u>8/</u>	1000 lbs.	<u>6/</u>	562	<u>6/</u>	61	--
Herring, smoked or kippered, not in oil, whole or beheaded, total	1000 lbs.	1,005	777	29	21	- 8
Hard dry smoked <u>7/</u>	1000 lbs.	<u>6/</u>	733	<u>6/</u>	18	--
Other <u>8/</u>	1000 lbs.	<u>6/</u>	44	<u>6/</u>	3	--
Herring, smoked or kippered, not in oil, eviscerated, split, skinned, boned, or divided, total	1000 lbs.	150	180	13	15	+ 2
Boned, whether or not skinned <u>7/</u>	1000 lbs.	<u>6/</u>	107	<u>6/</u>	8	--
Eviscerated, split, skinned or divided <u>8/</u>	1000 lbs.	<u>6/</u>	73	<u>6/</u>	7	--
Oats, total	bu.	761,021	39,717	305	14	-291
Oats, hulled, unfit for human consumption <u>7/</u>	bu.	<u>6/</u>	19,918	<u>6/</u>	5	--
Other oats <u>8/</u>	bu.	<u>6/</u>	19,799	<u>6/</u>	9	--
Products on which reduced duties were granted still unaccounted for <u>1/</u>	--	--	--	--	23	--

Supplementary Table for Table 4

(Continued)

(Value in thousands of dollars)						
Q U A N T I T Y			V A L U E			
: January to June, incl.			: January to June, incl.		: Amount	
: Unit	: 1935	: 1936	: 1935	: 1936	: of change	
Principal products on which the existing free entry into United States was mainly bound and for which fairly comparable data are available:						
Scallops, total	1000 lbs.	418	690	77	126	+ 49
Fresh but not frozen <u>11/</u>	1000 lbs.	<u>6/</u>	690	<u>6/</u>	126	--
Other <u>12/</u>	1000 lbs.	<u>6/</u>	<u>10/</u>	<u>6/</u>	<u>10/</u>	--
Agricultural machinery, implements and parts, n.e.s., total						
Parts of plows, cultivators, tooth or disk harrows, drills, planters, horserakes, and mowers <u>11/</u>	--	--	--	621	651	+ 30
Other agricultural machinery, implements and parts, n.e.s. <u>12/</u>	--	--	--	<u>6/</u>	264	--
Other products on which free entry into United States was bound still unaccounted for, total	--	--	--	<u>6/</u>	387	--
	--	--	--	--	26	--

FOOTNOTES TO SUPPLEMENTARY TABLE

- 1/ This analysis takes into account every reduction item of which the imports in the first half of 1936 were greater than \$10,000. Thus the total of imports of reduction items not accounted for is made up of products the imports of which were each less than \$10,000.
- 2/ In 1935, imports of ice skates and parts were classified together with roller skates and parts. It is estimated that 80 percent of the imports in this composite category were imports of ice skates and parts.
- 3/ This figure represents imports of all black pigments shipped in from Canada. According to chemical experts this was made up of acetylene black.
- 4/ In 1935, all ferrosilicon containing 8 percent but less than 60 percent of silicon content were reported in one category. It is estimated that about 54 percent of the imports during the first half of 1935 of this composite group were imports of ferrosilicon containing 8 percent but less than 30 percent silicon, the type on which a reduction in duty was granted.
- 5/ In 1935, imports of all ground talc, steatite or soapstone were reported in one class. It is estimated that 75 percent of the imports of this composite group during the first half of 1935 were imports valued at \$12.50 per ton.
- 6/ Not separable in 1935.
- 7/ Reduction applied to imports of this class only.
- 8/ No reduction on imports of this class.
- 9/ Imports of ducks and geese from Canada in the first half of 1936 amounted to 106 pounds, valued at \$20.
- 10/ Imports of other scallops from Canada in the first half of 1936 amounted to 248 pounds valued at \$26.
- 11/ Existing free entry bound for import of this item.
- 12/ Agreement did not affect this item.



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May 22			
NOV 28 1941			
FEB 10 1945	1/23		
APR 28 1948			
FEB 27 1951	1/2		
13 Mar '51	3/13		
	1/27		
JUN 20 1956			
MAY 15 1963			

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